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## TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) POLICY MANUAL

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GENERAL PROVISIONS

7/00

301.1

301.1 GENERAL PROVISIONS - The Code of Virginia, Section 63.1-110, provides that the "The State Board shall adopt rules and regulations governing the amount of assistance persons shall receive under the provisions of this law. In making such rules and regulations, the Board shall give due consideration to significant differences in living costs in various counties and cities shall establish or approve such variations in monetary assistance standards for shelter allowance on a regional or local basis, as may be appropriate in order to achieve the highest practical degree of equity in public assistance grants.

The amount of assistance which any person shall receive under the provisions of this law shall be determined in accordance with rules and regulations made by the State Board with due regard to the property and income of the person and any support he receives from other sources, including that from persons legally responsible for his support, and the average cost of providing assistance statewide. It shall be sufficient, when added to all other income and support of the recipient (exclusive of that not to be taken into account as hereinafter provided), to provide such person with a reasonable subsistence."

302.1 DEFINITION OF THE TANF ASSISTANCE UNIT - The TANF assistance unit is composed of the individual or individuals who meet all categorical requirements and conditions of eligibility. The assistance payment will include the needs of all such individuals.

302.2 DEFINITION OF CARETAKER - In TANF the caretaker is the natural or adoptive parent or other relative of specified degree who is responsible for supervision and care of the needy child(ren).

There will be one caretaker included in an assistance unit, except when:

1. the natural or adoptive parent **who is incapacitated** has remarried, the spouse may be included; or
2. the household consists of a married couple who each have a child(ren) of their own; or
3. policy in Section 302.7 A. regarding minor parents requires more than one caretaker; or
4. both natural or adoptive parents of at least one child are living in the home and the family is in financial need.

In situations where both parents are in the home and one parent is a convicted offender allowed to live at home, the other parent in the home will be designated as the only caretaker. The convicted offender can only be included as an EWB if providing an essential service. See Section 302.5.

302.3 DEFINITION OF PAYEE - In TANF, the payee is the parent or other relative of specified degree who is responsible for supervision and care of the needy child(ren) but who is not included in the assistance unit. A relative of specified degree would be a payee unless he/she meets the criteria in 302.6.E.

In situations where the parent of the eligible child(ren) is in the home and included in the assistance unit, another specified relative may be designated as the payee for the case if the local agency has determined that the relative, not the parent, is exercising primary responsibility for the care and control of the child(ren). (Refer to Section 502.4.A.1.c. concerning designation of payees.) In such situations, the relative may be included in the assistance unit only if he/she meets the requirements of an essential person (EWB) listed in Section 302.5.

302.4 DEFINITION OF SIBLINGS - In TANF, siblings are two or more children with at least one natural or adoptive parent in common.

302.5 PERSONS ESSENTIAL TO WELL-BEING (EWB) - Needy individuals living in the home who are providing services which are essential to the well-being of the child(ren) on which TANF eligibility is based can be included in the assistance unit. Such individuals must be ineligible for assistance in a federal category in their own right.

A. Services which are considered essential are limited to:

1. The provision of child care which enables the caretaker to work on a full-time basis outside the home;
2. Care for an incapacitated family member in the home;
3. The provision of child care which enables the caretaker relative to receive training full-time;
4. The provision of child care which enables the caretaker to attend high school (or GED classes) full-time; and
5. The provision of child care for a period not to exceed two payment months to enable the caretaker to participate in employment search or other ESP component. \*

For the purpose of items 1, 3, and 4, full-time is defined as 30 hours or more per week or 120 hours or more per month. Additionally, for the purpose of item 2, the incapacity must be supported by medical evidence that the family member has a physical or mental impairment that reduces substantially or eliminates his ability to support or care for himself; the impairment must be expected to last for a period of at least 30 days. Eligibility for SSI or SSA disability benefits on the basis of the individual's incapacity is also acceptable proof of the incapacity.

- B. Each case in which an applicant/recipient requests inclusion of an EWB must be reviewed and approved by the Eligibility Supervisor prior to such inclusion to ensure that the individual designated to be the EWB is providing an essential service identified. The supervisor must sign the Worker's Evaluation of Eligibility-Aid to Dependent Children approving inclusion of the EWB.
- C. Eligibility for individuals for whom the client requests inclusion as EWB must be evaluated per Section 302.6.F.

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\* 45 CFR 233.20(a)(2)(vii)

302.6 Composition of the TANF Assistance Unit - The TANF assistance unit is required to include, when living together, the parent(s) and minor sibling(s) of a dependent child for whom assistance is requested. Therefore, each sibling living in the home of a dependent child must be evaluated to determine if he/she meets the categorical requirements listed in Section 201.1.A. This includes any sibling living in the home with both natural or adoptive parents who are also living in the home.

The assistance unit will include the following individuals:

- A. The natural or adoptive parent(s) who is living in the same home as the child for whom assistance is requested, unless otherwise indicated by policy in 302.6.D.\*
- B. All blood related or adoptive siblings, including those emancipated by court order or marriage, who meet the categorical requirements of an eligible child, living in the same home as the child for whom assistance is requested.\*\* Note: The spouse of the child emancipated by marriage cannot be living in the home for eligibility to exist.

Children who meet the categorical requirements must also meet all conditions of eligibility set forth in Section 201.1 B. in order for their needs to be included in the assistance payment. If the conditions of eligibility are not met, the child's needs will be excluded, however, any income of that child will be considered available to the remaining assistance unit members.

If categorical requirements cannot be established due to lack of verifications or the conditions of eligibility are not met, the individual will be assumed to be a required member of the assistance unit and the following will apply:

- 1. In determining need and the amount of payment for the assistance unit such individuals will be excluded.
- 2. Income of these individuals will be considered available to the assistance unit.
- 3. If verifications are subsequently provided which establish that the child is not categorically eligible, income of that child will no longer be considered available.

If verifications are subsequently provided which establish the child's categorical eligibility, his income will continue to be counted, as indicated above in 1 and 2, until all conditions of eligibility are met.

\* 45 CFR 206.10(a)(1)(vii)(A)

\*\* 45 CFR 206.10(a)(1)(vii)(B)

When all categorical requirements and conditions of eligibility are met, the needs of that child will be included in the assistance unit. (Refer to Section 401.2.B.2.c.)

The caretaker/relative other than the parent may request exclusion from the assistance unit at any other time except when that person has received a lump sum. The caretaker/relative may request exclusion prior to actual receipt of the lump sum. See 305.4 C regarding treatment of a lump sum received by the caretaker/relative.

No person's needs will be included in more than one assistance unit, but a person receiving assistance under another program may be payee for person(s) receiving TANF. A person receiving TANF in one assistance unit as a caretaker may also be the payee for persons receiving TANF in another assistance unit. (See Section 401.1 for the requirements of a request for assistance.)

A recipient of SSI is not eligible for inclusion in the assistance unit. An SSI recipient is an individual who is entitled to SSI benefits regardless of whether the benefit is currently being received.

C. The following child(ren) is not to be included in the assistance unit.

1. A child who is receiving SSI;
2. A child who is an alien whose needs are met by an individual sponsor or who has been in the U.S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.\*
3. Under the **VIEW** Program a child 16 to 18, out of school or enrolled in school part-time, who fails or refuses to participate without good cause must be excluded from the assistance unit unless otherwise exempt;

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\* 45 CFR 233.51

4. A child whose SSN has not been provided or application for an SSN has not been made. See 201.8 for the exception regarding a newborn child.
  5. A child who receives an adoption assistance maintenance payment. Exception: A child who receives an adoption assistance maintenance payment must be excluded when adding that child to the assistance unit and counting the maintenance payment reduces the TANF benefit. However, that child must be included in the assistance unit when the benefit will be increased by adding that child and his income.\*
  6. A child who receives a foster care maintenance payment or whose needs are included in the foster care maintenance payment for his parent.\*
  7. A child whose citizenship or alien status has not been declared in writing according to Section 201.7 C.
  8. A child subject to the family cap provision. (201.12)
  9. A child not in compliance with the compulsory school attendance requirement. (201.3)
  10. A child convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.\*\*
  11. A child fleeing to avoid prosecution or confinement or in violation of probation or parole.\*\*
  12. A child who is in a VIEW period of ineligibility.
  13. A child whose caretaker is in a period of ineligibility due to the receipt of a diversionary assistance payment.
- D. The following parent(s) is not included in the assistance unit:
1. The parent(s), of an eligible TANF child(ren), who is receiving SSI and/or an Auxiliary Grant.
  2. The parent who is not (1) a U. S. citizen or (2) an eligible alien.\*\*
  3. A parent who receives an adoption assistance maintenance payment on his own behalf up to age 21. Exception: A parent who receives an adoption assistance maintenance payment must be excluded when adding that parent to the assistance unit and counting the maintenance payment reduces the TANF benefit. However, that parent must be included in the assistance unit when the benefit will be increased by adding that parent and his income.\*

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\* Public Law 101-508 (OBRA 1990)

\*\* Public Law 104-193

4. The parent who refuses to cooperate in identifying the noncustodial parent, establishing paternity, **or** obtaining support by failing to comply with any of the requirements defined in [201.10](#).\*\*\* (See [502.7.A.2](#). regarding how to handle payment in this situation.) This exception applies until compliance with the requirements of cooperation in [201.10](#) is met.
5. The parent who is a foster care child.

6. The parent whose SSN has not been provided or application for an SSN has not been made.
7. The parent who is an alien whose needs are met by the individual sponsor.
8. The parent who is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.\*
9. The parent who is found to have committed an IPV and disqualified according to Section 102.3.
10. The parent whose citizenship or alien status has not been declared in writing according to Section 201.7.C.
11. The parent who is a convicted offender, serving a court-imposed sentence of unpaid public work, or unpaid community service during work hours, while still living in the home. (Exception: The convicted offender could be included only as an EWB if providing an essential service. See Section 302.5.)
12. The parent whose needs are met by her spouse, the stepparent of the eligible children, living in the home.
13. The minor parent not in compliance with the compulsory school attendance requirement in Section 201.3.
14. The parent convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or Food Stamps in two or more states and it is within ten years of the date the individual was convicted.\*\*
15. The parent convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.\*\*
16. The parent that failed to report to the local agency in accordance with Section 401.2.B.2.a.3 after it became clear that the minor child would be absent from the home for 45 consecutive days.\*\*
17. The parent that is fleeing to avoid prosecution or confinement or that is in violation of probation or parole.\*\*

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\* 45 CFR 233.51

\*\* Personal Responsibility and Work Opportunity Reconciliation Act of 1996

- E. The following caretaker/relative other than the parent, who requests assistance is not included when:
1. He is not in need.
  2. He is receiving SSI and/or an Auxiliary Grant.
  3. He is not (1) a U. S. citizen or (2) an eligible alien.\*
  4. His needs are met by a spouse living in the home.
  5. He refuses to cooperate in identifying the parents, establishing paternity, or obtaining support by failing to comply with any of the requirements defined in 201.10. (See 502.7 A.2. regarding how to handle payment in this situation.) This exception applies until compliance with the requirements of cooperation of 201.10 is met.
  6. He is ineligible for a specified period of time based on receipt of a lump sum. (See 305.4.C.)
  7. The caretaker/relative's SSN has not been provided or application for an SSN has not been provided.
  8. He is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.\*\*
  9. He is found to have committed an IPV and is disqualified according to Section 102.3.
  10. His citizenship or alien status has not been declared in writing according to Section 201.7 C.
  11. The caretaker/relative is convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or Food Stamps in two or more states and it is within ten years of the date the individual was convicted.\*

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\* Personal Responsibility and Work Opportunity Reconciliation Act of 1996

\*\* 45 CFR 233.51

12. The caretaker/relative is convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.\*
13. The caretaker/relative failed to report to the local agency by the end of the fifth day after it became clear that the minor child would be absent from the home for 45 consecutive days.\*
14. The caretaker/relative that is fleeing to avoid prosecution or confinement or that is in violation of probation or parole.\*

Note: The spouse of the caretaker/relative cannot be included in the assistance unit as second caretaker.

F. The following individuals for whom assistance is requested on the basis of providing services essential to the child's well-being (EWB) are not included when:

1. He is not providing a service identified in Section 302.5.
2. He is not in need.
3. He is receiving SSI and/or an Auxiliary Grant.
4. He is not (1) a U. S. citizen or (2) an eligible alien.\*
5. The EWB's SSN has not been provided or application has not been made for such SSN.\*\*
6. He is ineligible for a specified period of time based on receipt of a lump sum. (See 305.4 C)
7. He is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.\*\*\*
8. He is eligible for assistance in a federal category.
9. He is found to have committed an IPV and is disqualified according to Section 102.3.
10. His citizenship or alien status has not been declared in writing according to Section 201.7.C.

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\* Personal Responsibility and Work Opportunity Reconciliation Act of 1996

\*\* 45 CFR 205.52

\*\*\* 45 CFR 233.51

11. He is not in compliance with the compulsory school attendance requirement. Refer to Section 201.3.
12. The EWB is convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or Food Stamps in two or more states and it is within ten years of the date the individual was convicted.\*
13. The EWB is convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.\*
14. The EWB is fleeing to avoid prosecution or confinement or is in violation of probation or parole.\*

G. In Emergency Assistance - The assistance unit includes:

1. In cases of natural disaster or fire any member of the child's family living in the home and other nonrelated member of the household.
2. In cases of total loss of earnings, those persons who are living in the home related to the child by birth, marriage, or adoption, provided they meet the citizenship or alienage requirements.

302.7 FORMING THE COMPLEX ASSISTANCE UNIT - The most common type of assistance unit consists of one caretaker-relative and child(ren) living in a household. The following guidelines have been established to aid in determining who shall be included in an assistance unit when the household contains complex family situations:

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\* Personal Responsibility and Work Opportunity Reconciliation Act of 1996

- A. Minor Parent Situations When Living With a Senior Parent(s) - A minor parent is an individual under 18 years of age who is the natural parent of a child(ren). A senior parent is a parent of the minor parent. When assistance is requested for a minor parent and/or the minor's child, the following apply:
1. A minor parent will receive assistance in her own right when her siblings have not applied for nor are receiving assistance as eligible children.
  2. When assistance is requested or being received by the siblings of a minor parent, the senior parent(s), minor parent, and siblings of the minor parent will be included in one unit, including the minor parent's child if assistance is requested for the child.
    - a. Include the minor parent as a caretaker unless her parent is providing care and control for both herself and her child, in which case, she must be included as an eligible child.
    - b. See Section 201.10 and 201.10.C.2 regarding cooperation with DCSE, and Section 901.2 regarding the VIEW exemption criteria for individuals providing care for a child under 18 months of age and individuals under age 18.
  3. When the senior parent applies for assistance for the minor parent and the grandchild or the grandchild only, and no other siblings of the minor parent are receiving or requesting assistance, the assistance unit will consist of the minor parent and the minor's child. The case must be closed effective the month following the month the minor parent turns 18. (Exception: If the minor parent turns 18 on the first of the month the case must be closed for the birthday month.) The 18 year-old may reapply.
  4. When a minor parent and her child live with only one parent and assistance is requested for all, (no eligible siblings of the minor parent are in the home), apply the following:
    - a. If the minor parent is providing care and control for the child, the assistance unit will consist of the minor parent and her child. The senior parent can only be included as EWB per Section 302.5.
    - b. If the senior parent is providing care and control for the grandchild only, the assistance unit will include the senior parent, the minor parent, and the minor's child. In this situation, the minor parent would be considered a caretaker. The senior parent would also be included as a caretaker.

- c. If the agency determines that the senior parent is providing care and control for both the minor parent and the minor parent's child, the assistance unit will be comprised of the senior parent, minor parent, and the minor parent's child. The minor parent will be treated as an eligible child, provided all categorical requirements are met. If categorical requirements are not met, she must be included as a caretaker. The senior parent will be included as a caretaker.
- d. See Section 201.10 and 201.10.C.2 regarding cooperation with DCSE, Section 901.2 regarding the VIEW exemption criterion of caring for a child under 18 months of age and Section 401.1D regarding who must complete the application when this situation exists.

5. When a minor parent and her child live with both parents (no eligible siblings of the minor parent are in the home) of the minor parent, the assistance unit will consist of the minor parent as caretaker and her child. If the senior parents request assistance, the assistance unit will be comprised of the minor parent, her parents, and the minor parent's child. The minor parent would be considered an eligible child, regardless of who is providing care and control of the grandchild.
6. When a minor parent and her child live with a relative of specified degree other than a parent and assistance is requested for the minor parent's child, the assistance unit will consist of the minor parent and the minor parent's child. The relative may be included only as an EWB if assistance is requested. If the relative requests assistance for the minor parent's siblings, this request will be handled as a separate unit.

In the event of conflicting statements concerning who provides care and control, the agency is responsible for making a decision as to whether the minor parent or senior parent is ultimately responsible for the child. The basis for this decision must be clearly documented.

- B. Households with Multiple Groups of Children - A group of children can be a single child, or natural or adoptive siblings, or other children in a household whose relationship to the applicant is other than son or daughter. When the household consists of more than one group of children the determination of which children will comprise one assistance unit is based on legal responsibility. Children for whom the applicant has legal responsibility will make up one assistance unit. (Exception: When the minor parent, senior parent, and her child receive assistance as one unit.) All other children in the home for whom assistance is requested will make up a second assistance unit. A natural or adoptive parent is the only person who has legal responsibility for a child.

When the household consists of a married couple who each have a child(ren) of their own by a previous relationship and both parents request assistance for their child(ren), there will be one assistance unit with two care-takers. In the event there is a child(ren) born to the union of this couple, that child(ren) must be included in the assistance unit.

When a household consists of a man and woman cohabiting, each who have a child(ren) by previous relationships, there will be two separate assistance units. Should they have a child together, for whom he acknowledges paternity, the child must be included in the assistance unit. The units must be merged as the new child is a sibling to both sets of children.

When the household consists of a caretaker, his/her child(ren), and a child who is biologically related to the caretaker but has been adopted by some-one other than the caretaker, there will be two separate assistance units. In order for the caretaker to receive assistance for the child who has been adopted, the child's adoptive parents cannot be in the home.

The requirement in 302.6 that all siblings of a child for whom assistance is requested must be included in the assistance unit applies to the multiple group households also.

EXAMPLE

A grandmother has two grandchildren who are siblings and a niece living with her. She states she needs assistance for one of the grandchildren; however, application must be made for both grandchildren and each evaluated for inclusion in the unit. If she requests assistance for the niece, the niece will be included in the same unit also, provided she meets the eligibility requirements. However, the niece is not required to be in the unit, unless assistance is requested for her.

302.8 DEFINITION OF THE STANDARD FILING UNIT - For purposes of ADAPT, the group of individuals whose income must be considered in determining the assistance unit's eligibility and grant amount is referred to as the standard filing unit. This includes children and parents required to be in the assistance unit; essential persons; individuals whose income is subject to deeming; and, when assistance is requested, a caretaker-relative other than the parent.

**303 - RESOURCES AFFECTING ELIGIBILITY - Repealed effective December 1, 2003.**

STANDARDS OF ASSISTANCE

7/00

304.1

304.1 STANDARDS OF ASSISTANCE - The State Board has established standards of assistance\*, based on the size of the assistance unit, to be used in **TANF cash** payment cases. The standards established cover all allowable maintenance needs (food, including special diet; clothing; personal care; household supplies and equipment; insurance; school supplies and expenses; laundry; utilities, including telephone; housekeeping and personal services; obligations incurred within the month of application; guardianship fees; and the average shelter cost, including rent or housepayments, taxes, fire or comprehensive insurance, repairs, installations, water, sewage and trash disposal, appropriate to the locality in which the assistance unit resides) which are consolidated as specific dollar amounts representing the requirements of assistance units according to size. There is no specified amount identified for any particular item and the client is responsible for budgeting the amount received among the various needs of the assistance unit.

Because of wide variation in shelter cost within the State, three groups of standards have been established reflecting this variation. [Appendix 1](#) to Section 304 lists the localities in the State according to the group in which they fall.

The monthly standards of **need**, based on the number of eligible persons in the assistance unit and the locality group in which the assistance unit resides, are shown in [Appendix 2](#) to Section 304.

The State Board has approved, for purposes of reimbursement to localities, a ratable reduction in the standards of **need**, [Appendix 2](#) to Section 304, shows the proportionately reduced standards of assistance which are currently reimbursable statewide.

Any locality wishing to meet up to the full standard **of need** may do so, provided the additional cost is paid from local funds and the percentage met is used in all **TANF** cases in the locality. No locality may grant assistance in excess of the full standard **of need**.

The appropriate standard of assistance, less all countable income of the assistance unit, as specified in Section [305](#), is the amount of the monthly **cash** payment for an otherwise eligible assistance unit, except that the State Board has established a maximum payment. The maximum reimbursable payment for each locality group is shown in [Appendix 2](#) to Section 304. Any locality wishing to meet the full budgetary deficiency, when this is in excess of the maximum reimbursable payment, may do so provided (a) the deficiency is computed on the basis of established standards, (b) the excess is paid from local funds and (c) the full deficiency is met in all **TANF** cases in the locality.

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\* Code of Virginia, Section 63.1-110

304.2 TOTAL ALLOWABLE INDIVIDUAL NEED - When it is necessary to determine whether one individual included in the TANF assistance unit is in need, the total amount allowed for his needs must be identified. This amount is his pro rata share of the appropriate standard of assistance for the assistance unit. The same procedure is used to determine whether or not a caretaker-relative other than the parent or an essential (EWB) person living in the home is in need and eligible for inclusion in the assistance unit. Once the caretaker-relative other than the parent is included in the assistance unit, he may volunteer to participate in VIEW and continue to be eligible for TANF if countable income is less than the current poverty level for one person.

When an individual is removed from the assistance unit, the assistance plan is recomputed on the basis of the standard of assistance specified for the number of persons remaining in the unit.

**304.3 MEDICAL EXAMS FOR TANF RECIPIENTS - Medical exams necessary to determine exemption status for VIEW or assess a VIEW participant's abilities, that are not covered by Medicaid, are paid from VIEW funds.**

The worker and client must discuss which doctor should complete the medical evaluation. The final decision should be made by the recipient. The agency will pay for only one medical exam.

304.4 - TANF MATCH PAYMENTS (TMP) - The 2002 Virginia Acts of Assembly mandates, effective July 1, 2003, that all recipients of TANF cash assistance, including recipients whose deficit is less than \$10, be paid a monthly TANF supplement in an amount equal to the current child support collected by the Division of Child Support Enforcement, less the disregard of the first \$50 of current child support received by the assistance unit.

Match payments are defined as current child support paid on behalf of a case, less \$50. The Match payments are issued in the second month following receipt and are issued with the TANF benefits as a single payment. Payments will be issued even though the combined total of the TANF deficit and TMP total less than \$10.

The TMP is added to the TANF cash benefit after all eligibility and benefit transactions have been completed in ADAPT, i.e., imposition of disregards, penalties, and recoupment have been calculated. Since the match payments are a portion of the unit's monthly assistance payment, policies governing assistance payments must be applied, i.e., notices and fair hearings, **with the exception of continuation of benefits.**

**TANF Match Payments will be issued during months of suspension and during VIEW sanctioned months. The issuance of TMPs to a recipient receiving continued benefits during the appeal process is contingent upon collection of current child support by DCSE two months prior to the payment month.**

Since TMP payments are paid two months after collection of support, the case may receive payments for up to two months after case closure. These payments are automatically generated in ADAPT and mailed from the State Department of Social Services.

If the TANF benefit, including the TMP, exceeds the maximum reimbursable payment for the assistance unit, the maximum will not apply and the full amount of the combined payment will be issued.

Information on TMPs is passed to ADAPT each month, based on the amount of current child support paid two months prior to the payment month on behalf of assistance unit members. If current support paid in a month is \$50 or less, no match payment will be included in the TANF check. A TMP change notice will be sent by the State Department of Social Services to affected TANF cases each month, indicating the Match Payment amount to be paid on the first of the following month.

## STANDARDS OF ASSISTANCE

10/04

## APPENDIX 1

## GROUPING OF LOCALITIES

GROUP ICounties

Accomack  
Alleghany  
Amelia  
Amherst  
Appomattox  
Bath  
Bedford  
Bland  
Botetourt  
Brunswick  
Buchanan  
Buckingham  
Campbell  
Caroline  
Carroll  
Charles City  
Charlotte  
Clarke  
Craig  
Culpeper  
Cumberland  
Dickenson  
Dinwiddie  
Essex  
Fauquier  
Floyd  
Fluvanna  
Franklin  
Frederick  
Giles  
Gloucester  
Goochland  
Grayson  
Greene  
Greensville  
Halifax  
Hanover  
Henry  
Highland  
Isle of Wight  
James City  
King George  
King & Queen  
King William  
Lancaster  
Lee

Louisa  
Lunenburg  
Madison  
Mathews  
Mecklenburg  
Middlesex  
Nelson  
New Kent  
Northampton  
Northumberland  
Nottoway  
Orange  
Page  
Patrick  
Pittsylvania  
Powhatan  
Prince Edward  
Prince George  
Pulaski  
Rappahannock  
Richmond County  
Rockbridge  
Russell  
Scott  
Shenandoah  
Smyth  
Southampton  
Spotsylvania  
Stafford  
Surry  
Sussex  
Tazewell  
Washington  
Westmoreland  
Wise  
Wythe

Cities

Bristol  
Buena Vista  
Clifton Forge  
Danville  
Emporia  
Franklin  
Galax  
Norton  
Suffolk

GROUP IICounties

Albemarle  
Chesterfield  
Henrico  
Loudoun  
Roanoke  
Rockingham  
Warren

Cities

Chesapeake  
Covington  
Harrisonburg  
Hopewell  
Lexington  
Lynchburg  
Martinsville  
Newport News  
Norfolk  
Petersburg  
Portsmouth  
Radford  
Richmond  
Roanoke  
Virginia Beach  
Williamsburg  
Winchester

GROUP IIICounties

Arlington  
Augusta  
Fairfax  
Montgomery  
Prince William  
York

Cities

Alexandria  
Charlottesville  
Colonial Heights  
Falls Church  
Fredericksburg  
Hampton  
Manassas  
Manassas Park  
Poquoson  
Staunton  
Waynesboro

**NEED AND PAYMENT STANDARDS**

GROUP I

<u>Size of Assistance Unit</u>	<u>Standard of Need</u>	<u>Standard of Assistance</u>
1	\$ 146	<b>\$ 144</b>
2	229	<b>228</b>
3	295	<b>292</b>
4	358	<b>354</b>
5	422	<b>418</b>
6	473	<b>470</b>
7	535	<b>530</b>
8	602	<b>595</b>
9	657	<b>650</b>
10	718	<b>712</b>
Each person above 10		<b>62</b>

MAXIMUM REIMBURSABLE PAYMENT **\$443**

**NEED AND PAYMENT STANDARDS**

GROUP II

<u>Size of Assistance Unit</u>	<u>Standard of Need</u>	<u>Standard of Assistance</u>
1	\$ 174	<b>\$ 173</b>
2	257	<b>254</b>
3	322	<b>320</b>
4	386	<b>382</b>
5	457	<b>451</b>
6	509	<b>504</b>
7	570	<b>563</b>
8	636	<b>629</b>
9	692	<b>685</b>
10	754	<b>746</b>
Each person above 10		<b>62</b>

MAXIMUM REIMBURSABLE PAYMENT **\$479**

**NEED AND PAYMENT STANDARDS**

GROUP III

<u>Size of Assistance Unit</u>	<u>Standard of Need</u>	<u>Standard of Assistance</u>
1	\$ 243	<b>\$ 242</b>
2	327	<b>323</b>
3	393	<b>389</b>
4	457	<b>451</b>
5	542	<b>537</b>
6	593	<b>587</b>
7	655	<b>649</b>
8	721	<b>715</b>
9	779	<b>771</b>
10	838	<b>831</b>
Each person above 10		<b>62</b>

MAXIMUM REIMBURSABLE PAYMENT **\$570**

305.1 INCOME ELIGIBILITY

In order to meet the income requirements for the **TANF** Program, the assistance unit's countable income must be screened at 185% **of the standard of need**, and **the standard of assistance** (prospective determination) to determine the assistance unit's need. Once the assistance unit is determined to be in need, the eligibility worker must calculate the **TANF** payment to determine if eligibility exists for the assistance unit. In screening countable income at 185% and **the standard of assistance** in the prospective determination and in calculating the amount of the **TANF** payment, anticipated income arrived at by one of the method's listed in Section [305.1.B.2.a.](#) is to be used.

A. Prospective Determinations (Screening at 185% and **Standard of Assistance**)

Income eligibility for all cases is based on a prospective determination which anticipates the total gross countable income of the assistance unit. The total gross countable income of the unit is screened at 185% of the standard of need. (Refer to Maximum Income Chart, [Appendix 1](#) to Section 305.) If the income of the assistance unit is equal to or less than the maximum income level, income is then screened at **the standard of assistance** allowing income disregards, when appropriate.

A prospective determination must be conducted on applications/reapplications and ongoing cases whenever a change becomes known to the agency.

The gross income anticipated to be received during the month following the month the change became known to the agency must be screened at both 185% and **the standard of assistance** to determine if eligibility for the next payment exists. If the prospective determination of anticipated income represents less/more than a full month's income, the second month following the month the change became known to the agency must also be screened prospectively at both 185% and **the standard of assistance**.

1. 185% Screening

Total gross countable income for this purpose includes all gross earned income of both adults and children in the unit; unearned income, such as net countable support, benefits, etc.; income of an excluded individual required to be in the unit; and any income deemed available to the assistance unit. The following income is disregarded when income is screened at 185%:

- a. all income specifically disregarded in [305.4.A](#);

- b. the earned income of an individual which is funded by the Workforce Investment Act of 1998 (WIA);
- c. for TANF-UP, unemployment compensation benefits;
- d. lump sum payments per 305.4.C;
- e. the earned income of a child that is a full or part-time student.

If the income of the assistance unit exceeds 185%, the case is ineligible for a payment.\*

## 2. Screening at the Standard of Assistance

The following procedures are applicable to the standard of assistance screening:

### a. Applications, Including Persons Being Added to An Existing Assistance Unit

Once the total gross countable income of the assistance unit is determined to be less than or equal to 185% of need, income must then be screened at the standard of assistance allowing earned income disregards where applicable.

### b. All AUs will be allowed the following deductions from earned income:

- (1) The standard deduction\*\*, the same amount used in the standard deduction for the Food Stamp program, and 20% of the remainder is deducted from the gross earnings.\*\*\*  
(Refer to Appendix 3 to Section 305, Step 2 and Section 305.3.B.7.)

Assistance Unit	Standard Deduction
1-4 members	\$134
5 members	<b>\$157</b>
6 or more members	<b>\$179</b>

### c. Ongoing Cases

Once the total gross countable income of the assistance unit is determined to be less than or equal to 185% of need, income must then be screened at the standard of assistance allowing earned income disregards where applicable.

### d. The following income is disregarded when income is screened at at the standard of assistance:

- 1) all income specifically disregarded in 305.4.A;

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\* 45 CFR 233.20(a)(3)(xiii)  
 \*\* 22 VAC 40-295-60  
 \*\*\* 22 VAC 40-295-60

- 2) the earned income of an **individual which is funded by the Workforce Investment Act of 1998 (WIA)**;
- 3) lump sum payments per 305.4.C.
- 4) **the earned income of a child that is a full or part-time student.**

If the assistance unit has income below the standard of assistance, the payment is calculated based on prospective budgeting.

B. Prospective Budgeting\*

1. Budgeting Concept

In order to be eligible for TANF, a case must be eligible under income requirements. The amount of the payment which an assistance unit is eligible to receive will be calculated based on prospective budgeting.

Prospective budgeting is calculating the TANF payment using the anticipated income of the members of the assistance unit and the excluded persons required to be included in the assistance unit in the budget month. For purposes of determining the amount of the TANF payment and the amount of income to be counted, the payment month and budget month are the same.\*

2. Income To Be Counted In Calculating the Payment

The payment is to be calculated using the methods listed below. The assistance unit's circumstances must be evaluated to determine which method(s) will provide the amount of income anticipated (best estimate) to be received in the payment month.

For purposes of determining the amount of income to be counted in calculating the payment, anticipated income means any income the applicant/recipient and local agency are reasonably certain will be received during the payment month. If the amount of income or when it will be received is uncertain, that portion of the assistance unit's income that is uncertain shall not be counted by the local agency.

"Reasonably certain" means that the following information is known:

- who the income will come from,
- in what month it will be received, and
- how much it will be (i.e., rate, frequency and payment cycle).

a. Methods Used To Anticipate the Income

For applications and reapplications, the income generally to be counted is the income verified for the calendar month prior to the month of application. For redeterminations, the income generally to be counted is the income verified for the month prior to the month of review. However, if the income for the prior month is not the amount anticipated to be received in the payment month, the Eligibility Worker must work with the assistance unit to determine how the correct amount can be anticipated. For changes, the Eligibility Worker must work with the assistance unit to determine the correct amount of income that can be anticipated for the payment month.

The following methods are to be used to anticipate the assistance unit's income when the prior month's income does not reflect the income anticipated for the payment month:

- 1) The Eligibility Worker shall take into account the income already received by the assistance unit during the application process and any anticipated income the assistance unit and local agency are reasonably certain will be received during the payment month. During the approval process, when calculating the grant amount for prior months, the Eligibility Worker shall use converted income which has been received by the assistance unit, to determine the correct amount of the grant, unless the income is for a partial month. If the household received less than a full month's pay, or if less than a full month's pay is to be counted, the exact amount of income is to be used.
- 2) If income fluctuates so much that the prior calendar month cannot by itself provide an accurate indication of anticipated income, a longer period of past time may be used if it will provide a more accurate indication of fluctuations in future income. If income is ongoing, anticipate by averaging income from the past pay periods.

The Eligibility Worker may average income received in any number of pay periods immediately prior to application/review, using pay periods still appropriate to the customer's circumstances. The worker should select only the pay periods that will yield the most realistic estimate of income to be received.

If the assistance unit's income fluctuates seasonally, it may be appropriate to use the most recent season, rather than the calendar month prior to the month of application, as an indicator of future income. However, the Eligibility Worker should use caution in using income from a past season as an indicator of income now, since in many cases of seasonally fluctuating in-come, the income also fluctuates from one season in one year to the same season in the next year.

- 3) For migrant and seasonal farm worker assistance units, the judgment of the Eligibility Worker that income is reasonably certain to be received is to be based on formal or informal commitments for work for individual assistance units, rather than on the general availability of work in an area. Also, income should not be based on an assumption of optimum weather or field conditions.
- 4) Profit from the sale of livestock or cash crops, such as tobacco or peanuts, or from small businesses, such as but not limited to, vending stands, home beauty shops, or small grocery stores, is prorated on an annual basis or over the number of months in which the income is earned, whichever is appropriate. Federal farm subsidies are prorated over a 12-month period.

Guaranteed salaries paid under contract will be prorated over the period of the contract even though the employee elects to receive such payments in fewer months than are covered by the contract. When the contract earnings will be received monthly over a period longer than that of the contract, the earnings must be prorated over the number of months the income is anticipated to be received. Contract earnings are defined in 305.3.

Examples:

- (a) A contract period is September 1993 - August 1994 (12 months). The customer chooses to receive the contract income over a 10-month period. The contract amount is divided by the contract period of 12 months to arrive at the monthly gross income.
- (b) A contract period is November 1993 - June 1994 (8 months). The customer chooses to receive the contract income over the eight-month period. The contract amount is divided by eight months to arrive at the monthly gross income.
- (c) A contract period is September 1993 - August 1994 (12 months). The customer receives the contract income over the 12-month period. The contract amount is divided by 12 months to arrive at the monthly gross income.

- (d) A contract period is September 1993 - January 1994 (5 months). The customer receives the contract income monthly over a 12-month period. The contract amount is divided by the number of months in which the income is received (12).

In those cases where a contract specifies a set amount over the contract period, plus additional monies of an uncertain amount if additional work is available and done, only the base contract is prorated. Additional monies earned over and above the base contract are counted as income when they can be anticipated.

In those cases where a contract calls for no pay for those days not worked, the salary for those days should not be counted if it can be anticipated at the time that the prospective determination is made that certain days will be missed. Otherwise, the income calculation is to be based on the maximum salary. The client may then inform the local agency as days are missed. If the client reports a decrease in income within the month of the decrease, a supplemental payment is to be issued.

If the contract amount changes during the contract period, adjust the remaining months of the contract period. To determine the new monthly income amount, divide the new contract amount by the number of months used in the original calculation.

Example 1: A school bus driver's contract states that she will receive \$1250 for the year, but that she will not be paid for days the school is closed or for days she is sick. When she applies on February 10, she has already missed three days for snow in the contract year and she was sick for two days. The contract reads that \$10 will be deducted for each day not worked. The case is approved with income of \$100 per month.

$$(1250 - 50 = 1200 \quad 1200 / 12 = \$100)$$

Example 2: On April 5 the client reports that she missed April 3 and 4, which were not anticipated at the time of approval. The worker issues a \$20 supplement for April.

Example 3: On December 11, the school bus driver reports that her contract will be increased by 10% effective January 1. The prospective income is recalculated for January's grant using the increased figure of \$110.  $(1,200 \times 1.1 = \$1,320 \quad \$1,320 / 12 = \$110)$

b. How To Calculate the Monthly Amount

- 1) Whenever income is anticipated for each pay period in a given month, and is received on a weekly or bi-weekly basis, the Eligibility Worker shall convert the income to a monthly amount by:

- (a) multiplying average weekly amounts by 4.3 and average bi-weekly amounts by 2.15; or,

Example 1:

The client's weekly pay for the prior month was:

\$220.40  
\$175.80  
\$210.00  
\$195.70

To obtain a monthly amount, the Eligibility Worker multiplies the weekly average by 4.3.

\$801.90 (total of the pay stubs) divided by 4 (number of paystubs) equals \$200.48.

$\$200.48 \times 4.3 = \$862.06$  monthly income.

Example 2:

The client's bi-weekly pay for the prior month was:

\$185.40  
\$209.50  
\$394.90

To obtain a monthly amount, the Eligibility Worker multiplies the bi-weekly average by 2.15.

\$394.90 (total of the pay stubs) divided by 2 (number of pay stubs) equals \$197.45.

$\$197.45 \times 2.15 = \$424.52$  monthly income.

- (b) using the exact monthly figure or an average per pay period times the actual number of pays if the assistance unit will receive less than a full month's pay. If actual income is used in any given calculation, it is the Eligibility Worker's responsibility to adjust the figure for subsequent months if the actual income varies.

Example:

The client's salary is \$100 weekly. The pay does not vary. The client is paid every Friday.

The client reports she quit her job and will receive a final weekly paycheck on September 3. Since the client was paid for a partial month, the exact amount of \$100 will be used.

Example:

The client reports she quit her job on June 21. She will receive a final bi-weekly paycheck on July 5.

For the month of May, she received \$190 and \$220 for a total of \$410. This amount is divided by two (the number of pays) to determine the average bi-weekly pay of \$205. \$205 is used to calculate her July TANF payment.

- 2) Assistance units receiving monthly or semi-monthly income, such as state or federal payments or semi-monthly pay checks, must have the income assigned to the normal month of receipt, even if mailing cycles, weekends or holidays cause the income to be received in a different month.

For example, the applicant/recipient is employed and is paid semi-monthly on the first and sixteenth. Because June 1 falls on a Saturday, the client receives her June 1 paycheck on May 31. The Eligibility Worker will count the paycheck received May 31 as income for June.

- 3) For the on-line systems used to verify child support or unemployment benefits, mailing and processing days must be added to the payment dates shown to properly reflect the period of receipt for TANF purposes. Checks are prepared and mailed on the business day following the APECS disbursement date or the VEC warrant date. Two mail days must be allowed to determine the payment date and month of receipt. For support payments that are directly deposited in a bank account, the bank statement should be used to determine the payment date and month of receipt.

Once the income has been verified, the payment is then calculated based on the anticipated income. (Refer to [Appendix 3](#) to Section 305, Steps 3 and 4.) Ongoing payments will continue in the same amount until a change is reported or becomes known to the agency.

The case record must be documented to reflect the method used to arrive at the anticipated income.

Eligibility must be determined for each month of the application period. Applicants may be ineligible for the month of application and eligible for the month following the month of application. Benefits must be denied for the month of application in ADAPT and granted for the month following the month of application.

Example #1: - On November 17, the worker processes an application dated October 29. Based on converted income received in November, the case is not eligible; however, the case will be eligible for a December payment. Therefore, the case is to be approved effective December 1.

Example #2: - On July 14, the worker processes an application dated June 1. The application was not processed within the 30-day application processing time frame due to a delay by the examining physician in supplying necessary medical information. Verification is received July 13, the worker determines that the case is eligible. The worker approves the case with July 1, as the beginning date of assistance.

Example #3: - On December 6 the worker receives all necessary verification to process an application dated November 3. The assistance unit received a lump sum insurance settlement on December 2; the assistance unit (AU) has no other countable income. The AU is not eligible for the month of application; verification not provided timely. The AU is ineligible for December; lump sum exceeds the standard of assistance. The applicant provides verification showing all monies from the lump sum has been used. The beginning date of assistance for this application is January 1.

Example #4: - On December 12, the worker processes an application dated November 3. The case is eligible for a December payment but ineligible for a January payment. A payment is to be issued for December, and the case is to be closed effective December 31.

C. Verification of Income (Earned and Unearned)

In order to establish income eligibility, verification of all income received or anticipated to be received monthly by the assistance unit is required at the time of application/reapplication, when adding individuals with income, at renewals, and when a change becomes known to the agency. When verification is required, the agency must notify the applicant/recipient of the necessary verification and allow the assistance unit 10 days to respond. The assistance unit has primary responsibility for verifying income; **however, if needed, the worker must assist the household in obtaining any necessary verifications.**

The assistance unit is not responsible for providing verification of reported unearned income for which verification is accessible to the local agency through systems of records. These records include Bendex, SDX, SVES and VEC inquiry of unemployment benefits. If the applicant/recipient fails to verify income within 10 days of notification, policy at [401.2.B.1. and 2.](#) regarding substantiation of eligibility factors is to be followed. Verification may be verbal or written in accordance with [Procedures](#) Section VII.

If an individual has a disability that limits his ability to provide verification, the worker must inform such individual that the worker can help obtain any necessary verification, and if the individual requests help, or help was needed but not offered or provided, the agency cannot thereafter impose adverse actions related to the particular incident, on the basis that the individual failed to provide the verification in a timely fashion.

When verbal verification is obtained, the case record documentation should include the name and telephone number of the individual who provided the information, the date of contact, and the information obtained.

At each renewal, all income of the assistance unit must be verified, regardless of whether a change has been reported. If a change is identified, a prospective determination must be conducted in accordance with Section 305.1.A. to establish ongoing eligibility.

When a change in income occurs between renewals, a prospective determination must be conducted to establish ongoing eligibility.

When attempts to verify countable income prove to be unsuccessful because the person or organization that is to provide the verification fails to cooperate with the assistance unit and the local agency, and there are no alternate sources of verification available, the Eligibility Worker shall determine an amount to be used for TANF purposes based on the best available information. The case record must be documented to reflect the method used to arrive at the anticipated income.

In the above situation, the following verification will be considered the best available information:

1. a third party statement,
2. a collateral contact, or
3. as a last resort, the applicant's/recipient's written statement of the amount of income anticipated to be received in the payment month.

D. Handling Changes in Income (Earned and Unearned)

1. The assistance unit must report increases in income that place the assistance unit's monthly income above 130 percent of the federal poverty level based on assistance unit size.

The income limits are as follows:

<u>Income Limits</u>				
Household Size	Monthly Amount	Weekly Amount	Bi-Weekly Amount	Semi-Monthly Amount
1	\$1,037	\$241.16	\$ 482.32	\$ 518.50
2	1,390	323.25	646.51	695.00
3	1,744	405.58	811.16	872.00
4	2,097	487.67	975.34	1,048.50
5	2,450	569.76	1,139.53	1,225.00
6	2,803	651.86	1,303.72	1,401.50
7	3,156	733.95	1,467.90	1,578.00
8	3,509	816.04	1,632.09	1,754.50
Each Additional Person	\$354	\$82.32	\$164.65	\$177

1. When **a change in income** is reported or becomes known, **including changes not required to be** reported to the agency, the worker must take the following steps:
  - a. Document the case record regarding the rate and frequency of payment (i.e., weekly, biweekly, semi-monthly, monthly, etc.) and the payment cycle (i.e., on what day the client is paid). If, based on the information provided by the client, there is a decrease in benefits, income must be verified by the next renewal.
  - b. When an increase in income occurs, conduct a prospective determination per Section 305.1.A based on information provided. If the prospective determination renders the case ineligible, close the case as soon as administratively possible, or if ineligibility is expected to exist for only one month the payment may be suspended.

If the case continues to be eligible, calculate the payment reflecting the new or increased income. If the income anticipated to be received during the month following the month the change became known to the agency represents less/more than a full month's income, then the second month following the month the change became known to the agency must be calculated based on the amount of income anticipated to be received in that month.

For increases in contract income, refer to Section [305.1.B.2.a.4.](#)

- c. If a decrease in income occurs, the change must be reflected, based on information provided, in the following payment month. Verification must be provided by the second month after the change becomes known. (Refer to Section [503.9](#) for further guidance concerning underpayments.)

For decreases in contract income, refer to Section [305.1.B.2.a.4.](#)

E. Adding and Deleting Persons With Income

1. When adding/deleting a person with income, conduct a prospective determination per 305.1.A. If eligible, verify anticipated income and reflect the change in the appropriate payment month.
2. When deleting persons with income, income of persons being removed from the assistance unit will be deleted from consideration at the same time the individual is removed from the unit. Additionally, any income of a stepparent or parent (including the parent of a minor caretaker) who is not included in the assistance unit will be deleted for the month following the month the person leaves the home. In the case of a minor caretaker, income deemed from the minor's parent(s) will be deleted for the month following the month the minor caretaker attains the age of 18.

Example #1 - One of three children is removed from the home by the court on July 15. This child receives Social Security of \$75 per month. The August payment should not reflect the income and needs of the child who was removed.

Example #2 - A stepparent moves out of the home on the 23rd of September. Any income deemed available to the unit should be deleted from the October grant calculation. A supplemental payment must be made if the income cannot be deleted from the October 1 payment.

3. When adding/deleting the income of excluded individuals required to be in the assistance unit, the income of any excluded individual required to be in the assistance unit will be treated the same as individuals who are included in the assistance unit and, in the case of earned income, earned income disregards are applicable.
  - a. The income of an excluded individual will be deleted the month following the month that the person leaves the home or is no longer required to be in the unit.
  - b. When an excluded individual gets an increase or decrease in income, the increase or decrease will be handled in accordance with Section 305.1.D.

F. Applicant's/Recipient's Reporting Responsibilities

The applicant/recipient must be advised according to Section 401.2.B.1. and 2. regarding **verification requirements** and action that may be taken if verification is not provided. Additionally, the worker must provide the applicant/recipient with the following information:

1. Documents that constitute acceptable types of verification.

2. Time standards for reporting and acting on changes.

- a. All required changes must be reported timely, within 10 calendar days from the date the change becomes known to the assistance unit **but is reported timely if reported by the tenth day of the month after the change occurs.**

If the recipient is uncertain of the exact date or amount of the change, then the 10 day reporting period begins the day the change occurs. The recipient is not required to have full knowledge of the change when reporting it to meet the 10-day requirement for timely reporting. For new employment, the 10-day period may begin as late as the first day of employment. Once the recipient reports a change, the EW must evaluate the information within 10 days for potential impact and request additional information and necessary verifications that address rate of pay, number of hours, and how often paid.

1. When a change will increase benefits, the verification required must be obtained prior to the second month following the change in order to reflect the change in that month. If the assistance unit does not provide verification, the assistance unit's benefits will revert to the original amount unless a refusal to cooperate is documented, in which case an advance notice must be sent to terminate the case. An advance notice is not required if benefits are reverted to the original level because verification was not received, and the assistance unit was so advised at the time of increase.
  2. Whenever a change will decrease benefits, verification must be obtained prior to or at renewal.
  3. When a change neither increases nor decreases benefits, required verifications must be obtained prior to or at renewal.
- b. The worker is responsible for notifying the applicant/recipient when income must be verified. Income verification must be provided within 10 days of notification.
- c. The worker must advise the applicant/recipient on the appropriate notice of the amount of gross income anticipated to be received, the net income counted in determining the payment, the payment month the net income will begin to be counted, and the changes that must be reported.

3. Changes that must be reported.

## G. Timely Reporting Examples

Example 1: Mrs. Smith called the agency on April 27 to report that she accepted a job on April 22. She will begin this job on April 29; however, she does not know the number of hours she will work nor how much she will earn hourly. The worker informs Mrs. Smith on May 5 that she needs to provide the number of hours she will be working, the rate of pay and how often she will be paid to determine continued eligibility.

Did the recipient report timely? Yes. Mrs. Smith accepted the job on April 22, however, she will begin work on April 29. The latest this information could be reported timely is May 9.

Did the worker meet the 10-day time frame to act on the change (evaluate the information received and request additional information/verification)? Yes. The worker informed the recipient on May 5 of the information necessary to determine continued eligibility. The client has 10 days from the date requested to provide the information. The client provides the information on May 15. The worker must take action for the June 1 payment. If the information is submitted after May 15, the case must be suspended/closed.

Example 2: Mrs. Johnson calls the agency on September 25 to report that she began working a second job on that date. Mrs. Johnson knows she will work 15 hours a week at \$5.15 an hour and will be paid every week. The worker tells Mrs. Johnson that she will need verification of this information by October 5. The case record is documented and the anticipated income entered in ADAPT.

Did the recipient report timely? Yes.

Did the worker meet the 10-day time frame to act on the change (evaluate the information received and request additional information/verification)? Yes. The worker requested verification of the reported change. Increased income may cause either a decrease in payment or termination. This change causes a decrease. The recipient has until the next renewal to provide verification. Once the worker has sufficient information, action must be taken to decrease the benefits using the recipient's information.

Example 3: Ms. Smith accepted a new job on September 10 and started working on September 13. She received her first pay check on September 22. On September 23, she comes into the agency to bring her first paycheck to her worker. Ms. Smith told her worker she did not know what her income would be until she received this check.

Did the recipient report timely? Yes. Changes must be made as soon as they are known to the recipient. For income, the change becomes known when the customer can give the worker sufficient information. At the latest, the 10-day time frame begins the day the recipient begins working. The recipient began working on September 13. Ten days from her first date of employment is September 23. The worker must evaluate the income and impact the November 1 payment.

305.2 INCOME TO BE COUNTED - For the purpose of determining the amount of payment for an assistance unit, it is necessary to deduct the net countable income from the monthly standard of assistance applicable to the assistance unit. Net countable income is all income, both earned and unearned, which is available or expected to be available to members of the assistance unit, except for that portion specifically disregarded.

EXCEPTIONS:

- (1) Reimbursements for out-of-pocket expenses shall not be considered countable income. These expenses may include reimbursement for travel expenses, such as mileage; reimbursement to the caretaker of a child for child care expenses; reimbursements for expenses incurred as a volunteer, etc.
- (2) Money which belongs to another person that is handled by the client to pay expenses for that person is not considered available to the assistance unit.

Example:

Mrs. C. has a son in the Army who is currently in Germany. He sends her \$250 a month to pay his car payment of \$250 a month. None of this money is to be considered as income to Mrs. C.

Example:

Mrs. X and Mrs. Y live in the same house which is rented in Mrs. X's name. Mrs. Y gives Mrs. X an established portion of the rent each month. Mrs. X adds her portion to Mrs. Y's and pays the rent. Since this is a "shared shelter" arrangement, Mrs. Y's portion of the rent is not considered income to Mrs. X.

Note: This policy is not intended to replace roomer/boarder and property rental situations.

- (3) The first \$30 received by each individual in the assistance unit per calendar quarter for special occasions, such as birthdays, Christmas, etc., will be disregarded. Calendar quarters are January through March, April through June, July through September, and October through December. Any amount in excess of the \$30 per quarter anticipated to be received will be counted as income in the payment month in which it is anticipated to be received.

There is some income not currently being received by the assistance unit considered available, even though it is not currently being received:

- A. Support from a spouse or parent (natural, adoptive, or stepparent) living in the home is assumed to be available to the spouse and dependent children under 21 who are also living in the home\*\* (305.4 E. and F.) except

\* 45 CFR 233.20(a)(3)(iv)

\*\* 45 CFR 233.20(a)(3)(vi)

that no part of an SSI or Auxiliary Grant payment or any income of a recipient of either program can be counted in determining the amount of an TANF payment, even though the applicant/recipient is the spouse of the needy caretaker or the parent of the eligible children.\* When living together, the income of a minor caretaker's parent(s) will be deemed available to the minor caretaker's assistance unit until the minor care-taker reaches the age of 18, regardless as to whether the minor caretaker is excluded from the assistance unit, due to SSI receipt, or for any other reason.\*\*

- B. Benefits such as, but not limited to, RR Retirement, private corporation retirement, unemployment compensation benefits, Veterans or Social Security benefits, including reduced benefits, to which a member of the assistance unit is clearly entitled are available and must be counted even though the individual chooses not to accept such benefits (Section 305.4 B.1). However, individuals eligible for assistance under either the SSI or TANF program have the right to elect the program in which they wish to participate. Individuals applying for or receiving assistance through TANF cannot be mandated to apply for SSI. The applicant/recipient should be advised of this option.\*\*\*
- C. The gross amount of income or benefits must be counted even though all or a portion of the payment has been withheld by court order, i.e., a garnishment or court-ordered child support. Benefits from which child support can be withheld include, but are not limited to, Social Security benefits, Veterans' benefits, Unemployment benefits, and Workers' Compensation benefits. Supplemental Security Income (SSI) and public assistance benefits are exempt from garnishment under federal and state law.

The agency has a responsibility to explore potential **income sources** and assist the applicant/recipient in developing them to a state of availability whenever possible.\*\*\*\*

It is the responsibility of the recipient to report **required changes** to the agency within 10 calendar days from the date the change becomes known to the assistance unit. Changes required to be reported by the applicant, which occur after the face-to-face interview but before the date of the Notice of Action to approve the case, must be reported by the assistance unit within 10 days of the date of the notice.

There are some differences in the provisions for counting earned and unearned income. Therefore, when income is from property, the eligibility case record must clearly indicate the basis for determining whether it is earned or unearned income, that is, whether the individual produces it by his own efforts or is actively engaged in management. For example, income from room and board is considered earned income only when the individual is engaged in a commercial enterprise for profit. Regardless of whether the income is earned or unearned, it is the profit which is considered the gross income.

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\* Social Security Act, Section 402(a)(24)

\*\* 45 CFR 233.20(a)(3)(xviii)

\*\*\* Social Security Act, Section 402(a)(24)

\*\*\*\* 45 CFR 233.20(a)(3)(ix)

305.3 EARNED INCOME - Earned income is defined as income earned by an individual through the receipt of wages, salary, and/or commissions, or through profit from activities in which he is engaged as a self-employed individual.\* Earned income includes pay for jury duty, severance pay, vacation pay, and sick pay from the employer or employer obtained insurance.

Self-employment is defined as a business, farming or commercial enterprise in which the individual receives income earned by his own efforts, including his active engagement in management of property. Income from property when the individual is not actively engaged or when no managerial responsibilities are involved is not considered earned income.\*\* In addition, for TANF purposes, self-employment situations include, but are not limited to, domestic workers, day care providers including babysitters, and chore and companion service providers.

Contract earnings are defined as wages guaranteed by a contract. This does not include work on an hourly or piecework basis or self-employment. A guaranteed wage is one which is received by an individual employed on a contractual basis and paid over a period of time. Earnings of this nature will be prorated according to 305.1.B.2.a.4).

When income is received from property, the eligibility case record must clearly indicate the basis for determining whether or not the individual produces it by his own efforts or whether or not he is actively engaged in management.

A. Definition of Gross Earnings or Profit

1. Gross earned income from wages, salary or commissions means the total amount of pay, irrespective of deductions, withholding or work expenses.\*\* It is not the "take home" pay. Exception: Money advanced from an employer prior to the regular pay date must be counted as part of the gross income in the month of receipt. Any amount withheld to repay an advance in salary received prior to the budget month shall be deducted from gross earnings or profit for the budget month in which it is withheld.
2. Profit from self-employment means the total income received, less the business expenses directly related to producing the goods or services and without which the goods or services could not be produced.\*\*\* However, business expenses do not include:

\* 45 CFR 233.20 (a)(6)(iii) and (iv)

\*\* 45 CFR 233.20(a)(3)(iii)

\*\*\* 45 CFR 233.20(a)(6)(v)

- a. net losses from previous periods;
- b. federal, state, and local taxes;
- c. money set aside for retirement purposes;
- d. personal expenses, entertainment expenses, and personal transportation;
- e. depreciation of equipment, machinery, or other capital investments necessary to the self-employment enterprise.

B. Disregarded Earned Income - As specified below, certain earned income of members of the assistance unit and excluded individuals required to be in the assistance unit must be disregarded in determining need of the assistance unit and amount of assistance to which the assistance unit is entitled. In addition, income disregarded under the provisions of other federal assistance programs must not be counted as income to the **TANF** assistance unit\*. The items listed below are disregarded during the 185% screening. Income disregards are to be applied to gross earned income in the order listed below. (Refer to [Procedures](#) Section VII.A.1.c. to determine student status).

1. **All payments issued under the Workforce Investment Act of 1998 (WIA), including Job Corps payments.\*\***
2. Other earned income of any eligible child who is a student\*\*\* must be disregarded in the 185% screen, determination of need (for applicants) and grant computation.

\* 45 CFR 233.20(a)(4)(iii)

\*\* Public Law 105-220

\*\*\* 22 VAC 40-295-60

3. Standard Deduction\* - A standard deduction is **subtracted from the** gross earned income for the assistance unit whose income is not otherwise exempt.\*\* **Individuals not included in the AU will not be considered when determining the appropriate standard deduction.**
4. 20% Deduction of the Remaining Earned Income\*\*\* - After applying the disregards in items 1-3, deduct 20% of the remaining earned income, including profit produced by self-employment.

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\* 22 VAC 40-295-60

\*\*45 CFR 233.20(a)(11)(i)(B)

\*\*\* 22 VAC 40-295-60

5. Incapacitated Adult/Child Care Disregard - Anticipated child care expenses, up to the appropriate maximums, must be disregarded in determining initial eligibility **and determining the amount of payment** (Step 2 **and 3** of [Appendix 3](#) to Section 305). **The cost of child care may be paid for by a service vendor payment, by the client, or a combination. The child care expenses paid by the client are to be disregarded from earned income up to the maximum.** Prior to allowing the child care disregard, it must be verified that a service vendor payment is not being issued concurrently.

Anticipated incapacitated adult care expenses, up to the appropriate maximum, will be disregarded in both the initial eligibility determination and determining the amount of payment. The appropriate child care/incapacitated adult care disregard will be based on his/her employment status. Incapacity must be supported by a professional determination. The **TANF Medical Examination form (032-03-654)** is used for this purpose, unless incapacity is established by receipt of Social Security Disability benefits.

a) Employment status refers to:

- 1) Full-time Employment - Employed to work 30 hours or more per week on an on-going basis;
- 2) Part-time Employment - Employed to work less than 30 hours per week on an on-going basis;
- 3) Not Employed Throughout A Month - Applicable when an individual begins or terminates employment.

- b) To determine the employment status of an individual who is not employed to work a specific number of hours on an on-going basis, such as a person employed on an on-call basis, as needed basis, or fluctuating basis, the following criteria should be used:
- 1) Full-time Employment - Working, or expected to work, 120 hours or more per month;
  - 2) Part-time Employment - Working, or expected to work, less than 120 hours per month.

Verification of an individual's employment status should be provided by either an employer's statement of the number of hours employed to work, or actually worked, or by pay stubs. For self-employed individuals, the agency will be required to accept the client's statement concerning the number of hours worked, unless the agency has reason to question the validity of the statement.

Note: When verification of the appropriate employment status is being established for a prospective determination, it may be necessary for the eligibility worker to use his/her best estimate of the circumstances that will exist during that month.

The applicant/recipient is required to verify his/her employment status initially, at each full redetermination and whenever a change in the number of hours worked is reported to the agency.

- c) Based on an applicant/recipient's employment status, the following disregards will be applied: (See exceptions to allowing the disregards in [item 7.](#))
- 1) For full-time employment, deduct an amount equal to the anticipated cost, not to exceed \$175 per month, for care of each child, age 2 and older and/or incapacitated adult in the assistance unit. In the case of child care for a child under 2 years old, deduct the anticipated cost not to exceed \$200 per month.
  - 2) For part-time employment, deduct an amount equal to the anticipated cost, not to exceed \$120 per month, for care of each child and/or incapacitated adult in the assistance unit.
  - 3) If an individual is not employed throughout a month but:
    - a) has worked, or is expected to work, 120 hours or more in that month, deduct an amount not to exceed the full-time disregard.
    - b) has worked, or is expected to work, less than 120 hours in that month, deduct an amount not to exceed the part-time disregard.

If child care/incapacitated adult care is payable on a weekly or bi-weekly basis, the amount of the monthly expense may be calculated using the 4.3 (weekly) or 2.15 (bi-weekly) conversion factors.

The disregard for child care is limited to children in the assistance unit, and the disregard for incapacitated adult care is limited to adults in the assistance unit.\* Verification of the child/incapacitated adult care paid or anticipated to be paid must be obtained and submitted initially, at redetermination and whenever a change in the amount to be paid is reported in order to allow the disregard in determining the amount of payment. Acceptable methods of verification include written statements from the provider, receipts or cancelled checks, or verbal statements from the provider. When verbal verification is obtained, the case record documentation should include the name and telephone number of the individual who provided the information, the date of contact, and the information obtained.

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\* 45 CFR 233.20(a)(11)(i)(D)

Failure or refusal of the applicant/recipient to submit verification of the expense will result in the amount of the payment being determined without the expense being disregarded. If the verification is subsequently provided, eligibility will be re-evaluated, and a supplement issued for the month for which the disregard was not allowed. If termination or denial results from not allowing the disregard, follow policy in Section 401.3.F.5. This disregard, when applicable, is to be deducted from budget month income. Additionally, the disregard cannot be applied if the provider of care is a member of the assistance unit.

Budgeting adult/child care (if chosen):

Example 1: In December, the income and adult care/child care (if chosen) expenses anticipated for January, using appropriate maximums, are verified and used to determine the amount of the January payment.

Example 2: Budgeting the child care disregard of a child turning 2 years old when employment is full-time:

The child turns 2 on February 5. In calculating February's payment, anticipated income and child care expenses, not to exceed \$200, are verified and used to determine the amount of the payment because the child was under 2 during that month. For March, anticipated income and child care expenses, not to exceed \$175 (child now 2), are used to determine the amount of the March payment.

Example 3: An ongoing recipient works part-time and has chosen to have child care costs disregarded. In May she reported that her job changed to full-time on May 15. The prospective for June must reflect the appropriate maximum disregard for full-time employment. If eligible, the June payment will be calculated using the full-time maximum.

NOTE: Earned income cases that become ineligible may be eligible for transitional child care benefits. See Section 401.8.

- C. Countable Earnings - The amount of monthly earnings remaining after the appropriate disregards have been deducted is the countable earned income to be used in computing need and amount of assistance.

305.4 OTHER INCOME - In determining the amount of assistance, all other regular income received or anticipated to be received by members of the assistance unit or used in determining eligibility must be counted in the month in which it is received, except that specifically disregarded under A.

- A. Other Income Disregards - The following income of members of the assistance unit, a parent not included in the assistance unit or anyone whose income is used in determining eligibility or the amount of assistance must be disregarded.

Income which is disregarded under the following provisions must not be counted in determining the need for assistance of any individual under any other federal assistance program:\*

1. Home produce of the assistance unit utilized for their own consumption.
2. The value of food coupons under the Food Stamp Program.
3. The value of foods donated under the U.S.D.A. Commodity Distribution Program, including those furnished through school meal programs.
4. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
5. Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended.
6. **Money received for educational purposes.\*\***
7. Training allowances (transportation, books, required training expenses and motivational allowances) provided by Vocational Rehabilitation for persons participating in Vocational Rehabilitation Programs.\*\*\*

The disregard is not applicable to the allowances provided by VR to the family of the participating individual.

\* 45 CFR 233.20 (a)(4)(iii)

\*\* 45 CFR 233.20 (a)(3)(iv) (B) and (vii),  
and (a)(4)(ii)(d), and Public Law 102-325

\*\*\* 45 CFR 233.20 (a) (4) (vii)

8. Any portion of an SSI payment and/or Auxiliary Grant.\*
9. Payments to VISTA Volunteers under Title I, when the monetary value of such payments is less than minimum wage as determined by the Director of the action office,\*\* and payments for services of reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and other programs pursuant to Titles II and III, of Public Law 93-113, the Domestic Volunteer Service Act of 1973, including Americorps VISTA.\*\*\* The worker must contact the Action Office at the following address or telephone number when VISTA payments are reported; Action Office, 400 N. 8th Street, Richmond, Virginia 23219, (804) 771-2197.

Note: This disregard does not apply to payments to participants in Americorps USA and Americorps NCCC. These programs are under the authority of the National and Community Service Trust Act of 1993 which contains no requirement to disregard payments to participants applying for or receiving TANF.

10. The Veterans Administration educational amount for the caretaker 18 or older is to be disregarded when it is used specifically for educational purposes. Any additional money included in the benefit amount for dependents is to be counted as income to the assistance unit.
11. Foster care payments received by anyone in the assistance unit.
12. **All payments issued under the Workforce Investment Act of 1998 (WIA), including Job Corps payments.**
13. Income tax refunds (including Earned Income Tax Credit payments and refunds). These exempt tax credits include federal earned income tax credits and state earned income tax credits.
14. Any payment made under the Fuel Assistance Program.
15. The value of supplemental food assistance received under the Child Nutrition Act of 1966. This includes all school meal programs; the Women, Infants, and Children (WIC) Program; the child care food program; and U.S.D.A. reimbursement payments to day care providers which are authorized by the National School Lunch Act.
16. All federal, state, or local government rent and housing subsidies and utility payments.\*\*\*\*

*	45	CFR	233.20(a)(3)(x)	***	45	CFR	233.20(a)(4)(ii)(g)
**	45	CFR	233.20(a)(4)(ii)(h)	****	45	CFR	233.20(a)(3)(xii)

17. Any funds distributed to, or held in trust for, members of any Indian tribe under Public Law 92-254, 93-134, 94-540, 98-64, 98-123, 98-124 or 97-458. Additionally, interest and investment income accrued on such funds while held in trust, and purchases made with such interest and investment income are disregarded.\*
18. The following of distributions received from a Native Corporation under the Alaska Native Claims Settlement Act (Public Law 100-241):
  - a. Cash (including cash dividends on stock received from a Native Corporation) to the extent that the total received does not exceed \$2,000 per individual per calendar year;
  - b. Stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);
  - c. A partnership interest;
  - d. Land or an interest in land (including land or an interest in land received from a Native Corporation as a dividend or distribution on stock); and
  - e. An interest in a settlement trust.

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\* 45 CFR 233.20(a)(4)(ii)(e)

19. Income derived from certain submarginal land of the United States which is held in trust for certain Indian tribes (Public Law 94-114).
20. In determining eligibility for assistance, the first \$50 of total child or child and spousal support payments received by the assistance unit is to be disregarded. In calculating the initial month's payment(s) the \$50 disregard is only to be applied if it is anticipated that \$50 will not be collected by DCSE subsequent to case approval (the date that the approval action is keyed into ADAPT). If it is anticipated that at least \$50 will be collected, the support disregard is not to be applied when calculating the initial payment since the unit will receive a disregard payment from DCSE.\* If the amount that is anticipated to be collected by DCSE after case approval is less than \$50, disregard an amount from the support received prior to case approval that will ensure the total support disregard for the month does not exceed \$50. For ongoing cases, DCSE will send each assistance unit a disregard payment of the first \$50 of child support received each month (see item 24 below). The \$50 disregard is only applicable to current child/spousal support payments received each month.
21. Payments sent to the recipient by the State which are identified as disregarded support.\*
22. Federal major disaster and emergency assistance provided under the Disaster Relief and Emergency Assistance Amendments of 1988 and disaster assistance provided by state and local governments and disaster assistance organizations (Public Law 100-707).
23. Payments received by individuals of Japanese ancestry under the Civil Liberties Act of 1988, and by Aleuts under the Aleutian and Pribilof Islands Restitution Act (Public Law 100-383).
24. Payments by VIEW for support services such as transportation, uniforms, child care, etc.\*\*
25. Any payment received from the Agent Orange Settlement Fund or any other fund established in response to the Agent Orange product liability litigation.\*\*\* To verify whether a payment is an Agent Orange payment, use documents in the individual's possession. If the individual cannot provide verification or the situation is unclear, write to the Agent Orange Veteran Payment Program, P.O. Box 110, Hartford, CT 06104, Attention: Agent Orange Verification. Include in the request the veteran's name and social security number. If a survivor of a qualifying veteran was paid, also provide the survivor's name and social security number.
26. Payment received by individuals under the Radiation Exposure Compensation Act (Public Law 101-426).

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\* 45 CFR 233.20(a)(4)(ii)(j)

\*\* 45 CFR 233.20(a)(11)(v)(c)

\*\*\* Public Law 101-239

27. Funds received pursuant to the Maine Indians Claims Settlement Act of 1980 (Public Law 96-420); and the Aroostook Band of Micmacs Settlement Act (Public Law 102-171).
28. Funds paid to an escrow account established under the Family Self-Sufficiency Program of the Department of Housing and Urban Development.
29. Student financial assistance received under Bureau of Indian Affairs student assistance programs.\*
30. Interest earned or appreciation in value on a savings or investment account for the purpose of self-sufficiency.
31. Up to \$2,000 per year of income received by individual Indians, which are derived from leases or other uses of individually-owned trust or restricted lands.\*\*

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\* Public Law 102-325

\*\* Public Law 93-134

32. All bona fide loans, regardless of the intended use.\* This includes loans obtained for any purpose, and may be from a private individual as well as from a commercial institution. A simple statement signed by both parties indicating that the payment is a loan and must be repaid is sufficient to verify that a loan is bona fide. If the customer indicates that money received was a loan but does not provide required verification, the money is to be treated as unearned income in the month received. Interest earned on the proceeds of a loan while held in a savings account, checking account, or other financial instrument will be counted as unearned income in the month received.
  33. Income, including support, received by or on behalf of a child ineligible for TANF due to the family cap provision.\*\*
  34. Payments received by victims of Nazi persecution under Public Law 103-286.
  35. Matching contributions deposited in an individual development account (IDA) or on the applicant/recipient's behalf in a parallel account maintained by the organization administering the IDA program.
  36. Income received by children who are in a VIEW period of ineligibility.
  37. Interest income of less than an average of \$10 per month.
  38. TANF Match Payments issued to TANF recipients based on current support collected by the Division of Child Support Enforcement.
  39. Any veteran benefits received by children born with spinal bifida, who are natural children of individuals who served in Vietnam during the period beginning January 9, 1962, and ending on May 7, 1975.
  40. Payments received from the Ricky Ray Hemophilia Relief Fund established under Public Law 105-369.
  41. Allowances, earnings, and payments to individuals participating in programs under Title I of the Workforce Investment Act (WIA).\*\*\*
  42. **Any amount received by or made available to household members for deployment or service in a combat zone will not count as income for TANF purposes unless the payment was received before the deployment. This exclusion includes items such as, but not limited to, incentive pay for hazardous duty, special pay for imminent duty or hostile fire duty or certain reenlistment bonuses, or special pay for certain occupational or educational skills.**
- B. Income From Social Security and Other Benefits - Monthly benefits received or anticipated to be received by members of the assistance unit, or individuals required to be in the assistance unit, must be counted as income, with the following exceptions:
1. When a member of the assistance unit is eligible for benefits (such as but not limited to, RR Retirement, private corporation retirement,

\* 45 CFR 233.20(a)(3)(xxi)  
\*\* Code of Virginia, Section 63.2-604  
\*\*\* 20 CFR 667.272 (c)

Veterans, Social Security, or any reduced benefits), the verified amount must be counted, even though the individual chooses not to accept such benefits.

The agency has a responsibility to explore potential resources and assist the applicant/recipient in developing them to a state of availability whenever possible.\*

2. When educational benefits are being received from Veterans Administration. (See 305.4.A.12.)
  3. When the Medicare Part B premium is deducted from the Social Security or Railroad Retirement benefits of an individual who is also receiving Medicaid. The amount of benefits actually received, plus the amount of the Part B premium, is counted as income since Medicaid will pay the premium during the time the individual receives Medicaid.
- C. Lump Sum Payments - The receipt of a nonrecurring lump sum payment, such as the accumulation of benefits for a prior period, including Social Security and Workmen's Compensation benefits; payments in the nature of a windfall, e.g., inheritances or lottery winnings; personal injury awards; life insurance settlement when the policy is owned by someone other than a member of the assistance unit; or income from any other nonrecurring source, **except lump sums for casualty property loss, shall be counted as income in the month of receipt. This evaluation of lump sums also includes those received by the parent(s) of a minor caretaker or a stepparent who is not included in the assistance unit.**

In situations involving casualty property loss payments for repair or replacement of damaged/lost property, such payments will not be considered as **countable income even in the month of receipt as the payment is designed to allow for the replacement of damaged/lost property.**

1. Determining amount of lump sum to be considered - Only the amount received by an individual which is available for maintenance (lump sum, less directly related expenses paid) shall be considered as income.
2. Allowable expenses include, but are not limited to:  
  
Payment of debts which are incurred for a member of the assistance unit, such as:  
  
medical bills incurred from the period prior to receipt of the lump sum,  
  
expenses related to a natural disaster or fire,  
  
costs related to avoiding the assistance unit's eviction and/or a utility cutoff,  
  
weather related repairs or replacement to the home in which the assistance unit lives, and  
  
funeral expenses.

\* 45 CFR 233.20(a)(3)(ix)

Example: Ms. S. notifies the local agency that her claim from an automobile accident has been settled. The settlement was for **\$5,000**. She received from her attorney, a check in the amount of **\$1,000**. The check stub states **\$2,000** was deducted to cover legal **expenses** and **\$2,000** for medical expenses. The \$1,000 that she actually received **is considered income in the month of receipt**.

Lump sum payments received as a result of an accumulation of benefits for a prior period, such as Social Security benefits, will have no directly related expense deductions.

The client must provide verification of payment of those expenses **within 10 days**. In instances where verification of payment is not provided **within 10 days, the lump sum payment in its full amount, must be counted in the month of receipt only**.

3. How to count lump sum - Add the lump sum or the remainder of the lump sum after directly related expenses to other net countable income received in the same month to arrive at total income for month of receipt\*.
  - a. If the applicant/recipient has knowledge of the date and amount of the lump sum before receiving it and reports it, the lump sum or remainder of the lump sum will be counted in the month that it is expected to be received.
  - b. If the recipient reports receipt of a lump sum on the day that it is received or any day thereafter, the lump sum is countable income for the month of receipt only, and must not impact any future months.

Example 1: Applicant applied for TANF on February 15<sup>th</sup>. She was in a car accident several months ago and received a settlement of \$15,000 on December 10<sup>th</sup>. The application must be processed without counting the lump sum as income.

Example 2: A TANF applicant reports at application that she received an insurance check this month to repair damage to her home caused by Hurricane Isabel. She anticipates using the money to repair her home. This lump sum must not be counted as income in the month of receipt or for any future months.

Example 3: An ongoing TANF recipient calls the local agency on March 11<sup>th</sup> to report receipt of a \$5,000 inheritance check. The TANF check for March was issued on the first of the month. The lump sum cannot impact March and must not be counted for any future months.

Money received from the sale of a resource is not considered a lump sum.  
Money received from the sale of or conversion of a resource is a resource.

Example 4: A TANF recipient calls her worker on June 15<sup>th</sup> to report she will receive a Social Security payment for her son on July 3<sup>rd</sup>. The payment will be \$200 for each month; March, April and May. The local agency must count this as income for the month of July.

PAGES 28 - 32 INTENTIONALLY LEFT BLANK

- D. **Sponsored Aliens** - For the purposes of determining eligibility, the income of any person who sponsors an alien's entry into the United States on or after December 19, 1997, shall be considered to be the unearned income of the alien.

After determining that an alien meets the alienage requirements in Section 201.7.A.2.a. - d, the worker must determine if sponsor deeming is applicable to the individual. The alien groups exempt from sponsor deeming are refugees, asylees, deportees, parolees, Cuban-Haitians, and veterans/persons in active duty and certain of their relatives (Section 201.7.A.2.d). Aliens exempted are responsible for proving that their original entry status was one of those listed above if their current status is different.

1. Aliens Whose Sponsor Executes an Affidavit of Support on or After December 19, 1997 Section 213A of the Immigration and Nationality Act, as amended by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996(P.L. 104-208) requires that the sponsor of an alien applying for an immigrant visa or adjustment of status on or after December 19, 1997, sign Form I-864, the "Affidavit of Support Under Section 213A of the Act." The sponsor of an alien who applied for an immigrant visa or adjustment of status before December 19, 1997, is not subject to the requirements of Section 213A and must sign Form I-134, the "Affidavit of Support," or another "non-213A" affidavit of support, as determined by USCIS.

Policies applicable when the affidavit of support was executed on or after December 19, 1997, are as follows:

- a. Countable Income of Sponsors - For purposes of determining eligibility, the income of any person who executed an affidavit of support with respect to the alien and the spouse of any person who executed an affidavit on behalf of the alien, shall be considered to be the unearned income of the alien.
- b. Termination of the Sponsor's Obligation - The evaluation and use of the income of the sponsor and spouse of the sponsor must continue toward the TANF eligibility and benefit level of the immigrant until the alien:
  - 1) becomes a U.S. citizen through naturalization; or
  - 2) has worked, or can be credited with, 40 qualifying quarters of work, provided that the sponsored alien is not credited with any quarter beginning on or after January 1, 1997, during which the sponsored alien receives federal public benefits. (Refer to Appendix 4 to Section 305.); or
  - 3) leaves the U.S. or no longer holds permanent resident status; or
  - 4) dies or the sponsor dies.
- c. Review of Income of Alien Upon Reapplication - Whenever an alien reapplies for TANF benefits, the worker must review the income attributed to the alien.
- d. Indigence Exception - If a determination is made by the local agency that a sponsored alien would, in the absence of the assistance provided by the agency, be unable to obtain food and shelter, taking into account the alien's own income, any cash, food, housing, or other assistance provided by other individuals, including the sponsor, the amount of income of the sponsor or the sponsor's spouse which shall be attributed to the sponsored alien shall not exceed the amount actually provided for a period beginning on the date of such determination and ending 12 months after such date.

The local agency must notify the Office of the U.S. Attorney General of each such determination, including the names of the sponsor and the sponsored alien involved. The written notification

should include the reference "Determination under 421(e) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996" and should be sent to the following address:

**U.S. Citizenship and Immigration Services**  
Statistics Branch  
425 I Street NW  
Washington, D.C. 20536

- e. Special Rule for Battered Spouse and Child - Sponsor deeming requirements are suspended for a 12-month period from entitlement to TANF for sponsored aliens who have been battered or subjected to extreme cruelty and the local department of social services has determined that there is a substantial connection to the need for benefits and the battery or cruelty.

After 12 months, the battered spouse or child may continue to receive assistance if the battery or cruelty was perpetrated by the sponsor and has been recognized by a court order or **USCIS** determination.

To qualify under this special rule, the batterer must not be residing in the same household as the individual who was subjected to the battery.

Note: This provision only applies if the battered or abused alien entered the U.S. prior to August 22, 1996, but is sponsored on or after December 19, 1997.

- f. Reimbursement Procedures - Execution of the affidavit of support, coupled with the sponsored immigrant's acquisition of permanent residence, creates a contract which is legally enforceable. The sponsor is obligated to reimburse government agencies which provide public benefits, including TANF, to the sponsored alien. Procedures for requesting and receiving reimbursement will be issued in a future transmittal. If repayment is received from the sponsor before reimbursement procedures are issued, contact the Regional TANF Specialist for interim instructions.

2. Aliens Whose Sponsor Executed an Affidavit of Support Before December 19, 1997

Aliens who applied for immigrant visas and those who filed for an adjustment of status before December 19, 1997, are not subject to sponsor deeming, as the sponsor's obligation to support expired after three years.

3. Verification of alien status - Refer to Procedures Section I.F.

E. Support from Relatives

1. Spouse, parent, or minor sibling in the home - Under federal regulations, in family groups living together, income of the spouse is considered available for his spouse, income of a parent is considered available for his children under 21,\* income of the senior parent(s) is considered available to the minor caretaker's assistance unit,\*\* **until the minor parent reaches the age of 18**, and income of the ineligible alien parent is considered available to his child's assistance unit. **The deeming of income from the parent only applies to minor caretaker and ineligible alien cases as specified in section 305.4 F.2.**

As specified in Section 302.6, the parent and minor siblings of the eligible TANF children living in the home are ordinarily included in the assistance unit, with their needs and income counted in determining the amount of payment. If the parent or child is not included in the assistance unit for any of the reasons listed in Section 302.6.C. or D., his income is considered available to the assistance unit as follows:

- a. If the parent or child is receiving SSI, Auxiliary Grants, adoption assistance, or a foster care payment, none of his income can be counted as available to the TANF assistance unit.

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\* 45 CFR 233.20(a)(3)(vi)

\*\* 45 CFR 233.20(a)(3)(xviii)

- b. If the parent does not meet the citizenship or alienage requirement, any income he has is considered available to the eligible child(ren) by applying the ineligible alien deeming formula. (See 305.4.F.)\* A lump sum payment received by an ineligible alien parent is counted as income in the month of receipt only. No period of ineligibility is to be established.

If a child is ineligible because of his citizenship/alien status, none of his income is available to the assistance unit.

- c. The income of the spouse of a parent of TANF children, who is the children's stepparent, is considered available to his spouse and the children for whom she receives assistance. Income of the stepparent is considered available to his spouse's assistance unit in accordance with Section 305.4.F.
- d. The parent of TANF children who is herself a minor (under 18) and is living in the home of her parent(s) must be included in the TANF assistance unit with her child unless specifically excluded per

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\* 45 CFR 233.20(a)(3)(vi)(B)

Section 302.6.D. The income of the senior parent(s) will be considered available to the minor caretaker's assistance unit in accordance with 305.4.F. The income of the senior parent(s) will be deemed available to the minor caretaker's assistance unit regardless of whether the minor caretaker has been excluded from the unit for reasons identified in Section 305.4.E.1.b and e.

Additionally, any income of the minor caretaker is considered available to her AFDC children, even if he/she is not included in the assistance unit. Earned income disregards are applicable per Section 305.3.B.

- e. If the parent or child is excluded or removed from the assistance unit because he/she failed/refused to cooperate in identifying the parents, establishing paternity and securing support per 201.10.A, or failure to provide a Social Security number or show proof of application for a Social Security Number, the parent's/child's earned income, allowing the earned income disregards per Section 305.3.B., and gross unearned income is considered available to the assistance unit. This applies also to individuals who are disqualified per Section 102.3 for being found to have committed an IPV, to an assistance unit member ineligible due to noncompliance with the compulsory school attendance requirement, to a parent excluded because her spouse, the stepparent to the eligible children, is able to meet her needs, and to a parent/child ineligible due to 201.1 F and G.
- f. If the parent is a sponsored alien whose income plus that portion of the sponsor's income deemed available to him/her equals or exceeds the alien's pro rata share of the standard of assistance at 90% for the alien and the remaining members of the assistance unit, the children's pro rata share of the alien's countable income (exclusive of the sponsor's income) is considered available to the assistance unit. Allow the earned income disregards per Section 305.3.B. in determining the alien's countable earnings. Note: A lump sum payment received by a sponsored alien parent excluded under this paragraph is counted as income in the month of receipt only. No period of ineligibility is to be established.

If the child is a sponsored alien, none of his income is to be counted.

- g. If a parent or child is ineligible due to prior receipt of a lump sum payment and is in a period of ineligibility, none of his income is to be counted.
- h. If the parent is a convicted offender, serving a court-imposed sentence while living at home, none of his income is considered available to the assistance unit.
2. Spouse (Stepparent) or parent outside the home - Child support or child support commingled with alimony received or anticipated to be received by the assistance unit is counted as income in the amount actually received, minus the first \$50 each month, in establishing initial eligibility on the basis of need for an otherwise eligible assistance unit. If such support is insufficient to meet the needs, the initial grant(s) is to be computed counting all support received prior to the date that the case approval is keyed into **ADAPT** (See Exception d. below). All support received after case approval must be redirected to the Division of Child Support Enforcement (DCSE). All subsequent grant(s) are to be computed without regard to such income and the amount of the assistance payment will be total needs less all other countable income up to the maximum reimbursable payment. (Refer to [601.1](#) for retroactive payments at initial application.) The applicant/recipient must be advised that all future support received must be forwarded to DCSE. NOTE: Alimony not commingled with support is to be counted as income. It is not considered as support, is not to be redirected to DCSE, and is not eligible for the \$50 disregard.

Exceptions:

- a. In the event the caretaker fails to cooperate in redirecting these support payments to the State, the caretaker must be removed from the assistance unit (201.10). All future support, minus the first \$50 each month, anticipated to be received by the caretaker must be considered as income available to meet the needs of the remaining members of the assistance unit until such time support is redirected to the State.
- b. In situations where the client has cooperated and support is being paid to the Division of Child Support Enforcement but the responsible person is also making a support payment directly to the client, the amount being received by the client is to be counted in total as income to the assistance unit. The \$50 disregard is not applicable to the additional support received by the family in this situation. The income will be counted against the grant until the new support obligation has been established.
- c. Pending the establishment of a child support obligation by the District Child Support Enforcement Office, payments made to a third party such as a rental agency in lieu of or in addition to child support, whether based on a court order or a mutual voluntary

agreement between the client and the responsible person, must be counted as income to the assistance unit. The \$50 disregard is not applicable to third party payments.

- d. If it is anticipated that an amount less than \$50 will not be collected by DCSE after case approval, disregard an amount from the support collected prior to case approval to ensure that a total amount of no more than \$50 is disregarded in the initial month of eligibility.
3. Putative fathers outside the home- In cases involving absent putative fathers, cash contributions are counted as income in the amount received, minus the first \$50 each month, in establishing initial and continuing eligibility until such time as the contribution is redirected to the State. Note: If a notarized statement of paternity, a copy of an

existing court order for support, or a Virginia birth certificate with the father's name exists in the case record, support received from such person, if absent, must be redirected to the State.

4. Other nonresponsible persons - Cash contributions from non-responsible persons, such as cohabitants, are counted as income in the amount received or anticipated in establishing initial and continuing eligibility.

A cohabitant is a person cohabiting (as man and wife) with the parent of the TANF children.

- F. Deeming Income - In certain situations, the income of an individual living in the home with the assistance unit must be evaluated to determine what amount, if any, must be considered available to the assistance unit, or deemed, regardless of whether the income is actually made available to the unit. Income deeming is applicable to the following persons:

- a stepparent living with the assistance unit who is not included in the assistance unit. Income of a stepparent will be deemed available to the child(ren) **providing** the natural or adoptive parent of the child(ren) is also living in the home. Divorce terminates the stepparent's financial responsibility, but not the degree of relationship.
- the parent(s) of a minor parent, when the minor parent and parent(s) of the minor parent are living together;
- an alien parent who is ineligible for assistance due to his alien status.

The procedures described below are to be used to determine the amount of income that must be deemed available to the assistance unit.

1. Stepparent Deeming Procedures - The Code of Virginia has been modified in regard to the stepparent deeming procedure with the goal of keeping families together.\* The two-step procedure in a. below must be followed to determine eligibility and the grant amount when there is a stepparent in the home but not in the assistance unit and the parent is otherwise eligible for inclusion in the assistance unit. If the parent has been excluded from the assistance unit due to any reason other than failure/refusal to cooperate with DCSE, only Step 2 is necessary. If the parent has been excluded due to failure/refusal to cooperate with DCSE, the procedure in b. below is applicable.

- a. Step 1 - Determining Eligibility of the Parent in the Home - Compute the amount of the stepparent's income available to the assistance unit by subtracting the following from the verified anticipated gross monthly earned income (use net profit if from self-employment) and gross unearned income:
- 1) The first \$90 of gross earned income;
  - 2) The standard of need at 100% for household members claimed or who could be claimed as dependents on the stepparent's federal income tax return, excluding members of the assistance unit.

\* Code of Virginia, Section 63.2-6

Exceptions: The needs of an individual(s) who is not in the assistance unit due to an IPV sanction, failure to comply with SSN requirements, or failure to cooperate with DCSE will not be allowed.

If the stepparent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the stepparent.

- 3) Support, including wage assignments paid to individuals not living in the home who are claimed or could be claimed as dependents on the stepparent's federal income tax return.

If the stepparent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the stepparent.

- 4) Payments for alimony and child support, including wage assignments to individuals not claimed on the stepparent's federal income tax return and not living in the household.

Verify by statement from the stepparent.

Failure of the customer to verify the income of the stepparent will result in ineligibility of the case.

The amount remaining after the above deductions must be compared to the standard of assistance for the assistance unit. If the stepparent's income is less than the standard of assistance for the number of persons in the assistance unit, the parent's needs are included on the grant, and no stepparent income is deemed available. Only the income of the parent and child(ren) is to be considered in determining the grant amount. (Step 2 is not applicable in this instance.)

If the remaining amount equals or exceeds the standard of assistance for the number of persons in the assistance unit, the parent is not included in the assistance unit, and the child(ren)'s eligibility must be determined according to step 2.

Step 2 - Eligibility Determination For the Children When the Parent's Needs Must Be Excluded From the Grant - Determine the child(ren)'s eligibility and grant amount by counting the parent's income, the child(ren)'s income, and that portion of the stepparent's gross income in excess of 150% of the poverty level for two persons (the parent and stepparent), which is **\$1,562**. The latter is a standard amount and must be used in all cases regardless of the actual number

of dependents the stepparent has. Countable income is to be deducted from the standard of assistance at 90% for the assistance unit.

- b. Stepparent Deeming Procedure Used When the Parent in the Home Refuses/Fails to Cooperate With DCSE - When it is determined that the parent of the TANF child(ren) has failed or refused to cooperate with DCSE, the stepparent's income must be deemed available to the assistance unit, calculating the deemed amount in accordance with 305.4.F.1.a.1) - 4). The deemed income, in addition to the income of the parent and child(ren) must be counted to determine the assistance unit's eligibility and grant amount.

Failure of the customer to verify the income of the stepparent will result in ineligibility of the case.

- c. Stepparent Deeming When the Parent Is Not in the Home With the Stepparent - Deeming stepparent income is not appropriate when the parent of the TANF child(ren) is not living in the home, regardless of whether absence from the home is due to separation, divorce, or death. The stepparent and the natural/adoptive parent will be considered living together, regardless of absence due to military duty, employment, or other absences or convenience, as long as they consider themselves to be living as husband and wife.

If the stepparent is included in a TANF assistance unit, policies and procedures applicable to assistance unit members apply instead of the deeming procedures.

Note: A lump sum payment received by an eligible child's stepparent is considered available to the assistance unit in the month of receipt only.

EXAMPLE #1:

Ms. P. is applying for TANF for herself and her 3 children. Ms. P. receives unearned income in the amount of \$50 per month, and each of the 3 children receives unearned income in the amount of \$50 per month, as well. Ms. P.'s husband (not the children's father) is employed and earns \$1,530 per month. Mr. P. has no other dependents.

1. To determine Ms. P.'s eligibility to be included in the AU:

Mr. P.'s income	\$1,600.00
Less \$90 disregard	- 90.00
	<u>\$1,510.00</u>
Less standard of need for 1 (group II)	-174.00
Amount deemed available to Ms. P.	<u>\$1,336.00</u>
Standard of assistance for 4 person AU	\$ 382.00
Note: The standard of assistance does not include the TANF Match Payment.	

Since the portion of Mr. P.'s income which is deemed available to Ms. P. exceeds the standard of assistance for 4 persons, she is not eligible to be included in the AU.

2. To determine the 3 children's eligibility, and, if eligible, the grant amount:

Stepparent's (Mr. P.'s) income	\$1,600.00
150% of poverty guidelines for 2 (monthly)	<u>-1,562.00</u>
Amount <u>greater than</u> 150% poverty guidelines	\$ 38.00
Standard of assistance for 3-person AU	\$ 320.00
Note: The standard of assistance does not include the TANF Match Payment.	
Less countable income (\$38.00 - amount of Mr. P.'s income which exceeds 150% of poverty guidelines; \$50 - Ms. P.'s unearned income; \$150 - the children's unearned income)	<u>- 238.00</u>
Grant amount	\$ 82.00

EXAMPLE #2:

Ms. J., who has been receiving TANF on behalf of herself and her 2 children reports that she remarried over the weekend. Ms. J. receives unearned income in the amount of \$100 per month. Her husband, Mr. J. is employed, with earnings in the amount of \$800 per month. Mr. J. has 3 children who live with his former wife, for whom he pays support in the amount of \$400 per month.

1. To determine Ms. J.'s eligibility to be included in the AU:
- |   |                 |
|---|-----------------|
| Mr. J.'s income   | \$ 800.00       |
| Less \$90 disregard                                     | <u>- 90.00</u>  |
|   | \$ 710.00       |
| Less standard of need for 1 (group II)                  | <u>- 174.00</u> |
|   | \$ 536.00       |
| Less support paid by Mr. J. to non-household dependents | <u>- 400.00</u> |
| Income deemed available to Ms. J.                       | \$ 136.00       |
| Standard of assistance for 3-person AU                  | \$ 320.00       |
- Note: The standard of assistance does not include the TANF Match Payment.

Since the portion of Mr. J.'s income which is deemed available to Ms. J. is less than the standard of assistance for 3 persons, she is eligible to be included in the AU. Proceed to grant calculation, since Ms. J. is eligible.

2. To determine the grant amount:

Standard of assistance for 3-person AU	\$ 320.00
Less countable income (Ms. J.'s income)	<u>- 100.00</u>
Grant amount	\$ 220.00

EXAMPLE #3:

Ms. L. is applying for TANF for herself and her 2 children. Ms. L. works 10 hours per week, and earns \$50 weekly. Her husband, Mr. L. (not the children's father) is employed and earns \$2,000 per month. Mr. L. has 1 child, who lives in the household also.

1. To determine Ms. L.'s eligibility to be included in the AU:
 

Mr. L.'s income	\$2,000.00
Less \$90 disregard	- 90.00
	\$1,910.00
Less Standard of need for 2 (group II) to include Mr. L. and his child	- 257.00
Income deemed available to Ms. L.	\$1,653.00
Standard of assistance for 3-person AU	\$ 320.00

Note: The standard of assistance does not include the TANF Match Payment.

Since the portion of Mr. L.'s income which is deemed available to Ms. L. exceeds the standard of assistance for 3 persons, she is ineligible to be included in the AU.

2. To determine the 2 children's eligibility, and if eligible, the grant amount:

Stepparent's (Mr. L.'s) income	\$2,000.00
150% of poverty guidelines for 2 (monthly)	-1,562.00
Amount <u>exceeding</u> 150% of poverty guidelines	\$ 438.00
Standard of assistance for 2-person AU	\$ 254.00

Note: The standard of assistance does not include the TANF Match Payment.

Therefore, the 2 children are ineligible for TANF, since Mr. L.'s income, in excess of 150% of poverty guidelines, exceeds the standard of assistance for an AU of 2.

2. Deeming Income in Minor Caretaker and Ineligible Alien Cases - Income must also be deemed to an assistance unit in the following situations. Applicable policies and procedures are explained below.
  - a. Minor Caretaker Living with Senior Parent(s) - When living together, the income of a senior parent(s) is to be deemed available to the minor caretaker's assistance unit.\* The senior parent's income must be considered available to the eligible child(ren) by applying the deeming procedure in Section 305.4.F.2.c. below. A stepparent's income is not deemed available to a minor caretaker's assistance unit.
 

When the minor caretaker is an SSI recipient, and lives in the home of his/her parent, the income of the senior parent(s) is deemed available to the minor caretaker's TANF assistance unit. If eligibility for TANF exists, the Social Security Office must be informed that the income is being counted for TANF purposes. The EW must document the case record to show that the Social Security office has been advised that the minor caretaker's parent's income is being counted for TANF purposes.\*
  - b. Ineligible Alien Parent - If a parent living in the home with the eligible TANF child is an alien and is ineligible for assistance

\* 45 CFR 233.20(a)(3)(xviii)

for himself due to his alien status, the parent's income must be considered available to the eligible child(ren) by applying the deeming procedure in Section 305.4.F.2.c. below.

- c. Calculating the Deemed Amount - Federal regulations provide the following procedure for determining the amount of income to be deemed available to the **TANF** assistance unit from the senior parent(s) or an ineligible alien parent,\* or a stepparent when the parent is not residing in the home, but the stepparent and parent are married.

The amount to be deemed available is computed by subtracting the following from the verified anticipated gross monthly earned income (use net profit for earnings from self-employment) or gross unearned income of the senior parent(s), ineligible alien parent, or stepparent. **Note: The TANF Match Payment is not countable unearned income.**

**Example:** TANF recipient has an assistance unit of three (mother and two children). The mother reports she was married yesterday; however, her husband is not the father of her children. She reports he has earned income of \$550 a month. The AU also receives a TANF Match Payment of \$185. Continuing TANF eligibility is determined as follows:

Gross income:	\$ 550
	<u>- 90</u>
	\$ 460
	<u>- 174</u> (SON for 1 person Group II)
	\$ 286
	<u>- 0</u> (Support paid by the step dad)
	\$ 286

**\$286 < \$320 (SOA for 3) – AU remains eligible. TMP not considered.**

- 1) The first \$90 of gross earned income of each employed person.
- 2) The standard of need at 100% for household members claimed or who could be claimed as dependents on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return, excluding members of the assistance unit.

Exceptions: The needs of an individual(s) who is not in the assistance unit due to a **VIEW** or IPV sanction, failure to comply with SSN requirements, failure to comply with the declaration of citizenship/alienage status requirement, or failure to cooperate with DCSE will not be allowed.

If the senior parent, stepparent, or ineligible alien parent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the senior parent, stepparent, or ineligible alien parent.

- 3) Support, including wage assignments paid to individuals not living in the home who are claimed or could be claimed as dependents on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return.

If the senior parent, stepparent, or ineligible alien parent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the senior parent, stepparent, or ineligible alien parent.

- 4) Payments for alimony and child support including wage assignments to individuals not claimed on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return and not living in the household.

Verify by statement from the senior parent or the ineligible alien parent.

The amount remaining after the above deductions will be counted as unearned income and deducted from the grant.

Failure of the client to verify the income of the senior parent or the ineligible alien parent will result in ineligibility of the case.

In situations where the income of a senior parent(s) is being deemed available to more than one assistance unit, the amount to be deemed will be divided equally among the units for which the parent(s) is responsible.

Note: A lump sum payment received by a senior parent or an ineligible alien parent is considered available to the assistance unit in the month of receipt only.

G. Other Cash Income - The total amount of all other cash income is to be counted. Specific procedures apply to certain types of other income:

1. Supplement to Standard of Assistance - In accordance with the option provided under federal regulations,\* the State Board has ruled that local departments of welfare/social services may supplement in an amount sufficient to meet the difference between the 90% payment standard and the 100% standard of need.

If a local department meets, from local funds, the difference between the proportionately reduced standard and the full standard, it must do so in all cases and the amount of the supplement is disregarded.

2. Assistance from other sources - Any contribution from another agency or organization must be counted as income unless such contribution is for an item not included in the Standard (See Section 304.1).

\* 45 CFR 233.20(a)(3)(vii)

3. Home Energy Assistance - Payments made directly to a household for home heating or cooling provided by suppliers of home energy, such as electric and gas companies and fuel oil dealers, must be counted as income.\* When payments are received jointly by a household composed of TANF and non-TANF individuals, including SSI recipients, the TANF assistance unit's pro rata share, based on the total number of persons in the household, must be considered as income to the TANF unit.

The pro rata share of non-TANF and SSI individuals is not to be counted.\*\* Note: Payments made through the Virginia Energy Assistance Program administered by local departments of social services are not considered home energy assistance and are disregarded per Section 305.4.A.16.

4. Public Assistance Benefits Received From Another State - It is possible for individuals who move from another state to Virginia to receive assistance from both states in the same month. However, the assistance paid by the state of prior residence must be considered in determining eligibility and benefit amount in Virginia. The amount of assistance received by the assistance unit from the former state is to be treated as unearned income in the month received.

Example 1: An applicant applies in Virginia on August 30 and receives a grant from Pennsylvania for \$100 in September which covers the period of the last week of August and the first week of September. If the assistance unit is eligible for assistance in September and the S0A is \$320, the \$100 of unearned income is subtracted from \$320, for a grant of \$220.

Example 2: A Group II locality receives an application on September 2 requesting assistance for a parent and two children. The family received a TANF grant from another state on September 1 for \$100 covering the period September 1-15, and the case is terminated in the former state effective September 15. The agency determines eligibility on September 10 (date of authorization). The first payment is calculated as follows:

\$320 - \$100	= \$220	- monthly deficit
\$220/30	= \$7.33	- daily rate
\$7.33 x 21 days	= \$153.93	- prorated deficit
\$153 grant		(rounded down)

5. Royalties are considered unearned income.
6. Interest earned on cash assets in excess of \$10 a month, such as a bank account or certificate of deposit, is considered unearned income in the month received (available) unless anticipated to be received less often i.e., quarterly, annually, etc, in which case it may be prorated over the period earned if requested by the applicant/recipient. Policy in Section 305.1. B.2 is applicable in determining if the income is "reasonably certain" to be received and, if so, the methods available to use to calculate the anticipated amount. Exception: Interest accrued on exempted VIDA or AFIA funds is not countable income.

\* 45 CFR 233.20(a)(3)(xiv)

\*\* 45 CFR 233.53(c)(2)

- H. Benefits and Services Received in Lieu of Income - When an applicant or recipient appears to be working but is not paid directly, the worker must determine whether there is an identifiable amount that must be considered as income. Such arrangements must be evaluated using the following guidance:

If the client performs services but receives no pay directly, and there is an identifiable amount of income that could be paid directly to the client, count the identifiable amount as income.

If the client performs services but is not paid directly, and there is no identifiable amount of income that could be paid to the client, no income is counted.

Examples:

1. Situation #1: An applicant/recipient works for an employer and, in lieu of wages paid directly to the applicant/recipient, the employer pays an expense on behalf of the applicant/recipient. In this situation, there is an identifiable wage and even though it is not paid to the client it must be counted as earned income.
2. Situation #2: The applicant/recipient barter for services. There is an exchange of services for which no income should be counted. For example, an applicant or recipient receives shelter at no cost in exchange for babysitting and housekeeping services.

305.5 INCOME OF EXCLUDED CHILDREN REQUIRED TO BE IN THE ASSISTANCE UNIT - When a child is excluded from the assistance unit due to lack of verification of categorical requirements for the child (See 201.1.A.), or when such child fails or refuses to meet conditions of eligibility (See 201.1.B), that child's needs will not be included in the assistance unit. The earned and unearned income of that child, however, will be considered available to the assistance unit. The earned income disregards are applicable per Section 305.3.B. If the child's income cannot be verified, eligibility for the assistance unit cannot be established. (Refer to Section 305.1.E.3.)

If the child has been determined categorically ineligible to be in the assistance unit, no part of his income will be considered available to the assistance unit, unless it is actually made available to the unit. (See 201.12.A and D for treatment of income of the child subject to the family cap provision.)

to meet conditions of eligibility (See [201.1.B](#)), that child's needs will not be included in the assistance unit. The earned and unearned income of that child, however, will be considered available to the assistance unit. The earned income disregards are applicable per Section [305.3.B](#). If the child's income cannot be verified, eligibility for the assistance unit cannot be established. (Refer to Section [305.1.E.3.](#))

If the child has been determined categorically ineligible to be in the assistance unit, no part of his income will be considered available to the assistance unit, unless it is actually made available to the unit. (See [201.12.A and D](#) for treatment of income and resources of the child subject to the family cap provision.)

Maximum Income Chart

<u>Size of Assistance Unit</u>	<u>Group I</u>	<u>Group II</u>	<u>Group III</u>
1	\$270	\$322	\$ 450
2	424	475	605
3	546	596	727
4	662	714	845
5	781	845	1003
6	875	942	1097
7	990	1055	1212
8	1113	1177	1334
9	1215	1280	1441
10	1328	1395	1550
Each person above 10	113	113	113

TANF Grant Calculations

Step (1) Compare total gross countable income of all members of the assistance unit against the maximum income level (see [Appendix 1](#) to Section 305).

**The earned income disregards of Section 305.1A.1** apply to this step.

If income of the A.U. exceeds the maximum income figure, the case is ineligible. If the income of the assistance unit equals or is less than the maximum income figure go to Step 2.

Step (2) To be used for screening initial applications and persons being added to an existing assistance unit. In the following order:

- (a) Determine monthly gross countable earned income for the assistance unit.
- (b) Deduct the standard deduction, as defined in Section [305.1A.2](#), from total gross earned income of the assistance unit if the **case** qualifies for this disregard and the income is not exempted.
- (c) **Deduct 20% of the remainder of the gross income.\***
- (d) Deduct anticipated expenses up to the allowable maximum as specified in Section [305.3.B.5](#). for care of each dependent child or each incapacitated adult included in the A.U. if the employed person qualified for this disregard.
- (e) Add any unearned income to the adjusted gross earnings.
- (f) Screen the remaining income against the standard of assistance for the appropriate locality. If there is no deficit, eligibility does not exist. If there is a deficit, go to Step 3.

Step (3) (a) Determine monthly gross countable income for the assistance unit. In the following order:

(b) Deduct the standard deduction as defined in Section [305.1A.2](#) **if the** income is not exempt **and** if the **AU** qualifies for this disregard.

- (c) Deduct **20% of the remainder\* of the assistance unit's** earned income if the assistance unit qualifies for this disregard.
  - (d) Deduct anticipated expenses, up to the allowable maximum as specified in Section [305.3.B.5](#). for care of each incapacitated adult/child, if **appropriate**, included in the assistance unit if the member qualifies for this disregard.
  - (e) Add any unearned income to the adjusted gross earnings. The result is net countable income. Note: The TANF Match Payment is NOT countable unearned income.
- Step (4)
- (a) Choose the appropriate Standard of Assistance for the applicant and all members of the assistance unit from the appropriate locality group ([Section 304, Appendices 1 and 2](#)).
  - (b) Subtract the net income, including any unearned income from the Standard of Assistance.
  - (c) If there is a deficit of \$9.99 or less, the assistance unit will be ineligible for a money payment; but the case will be deemed to be eligible for TANF and will be carried as an active TANF case.

## SSA Quarters of Coverage Verification Procedures for Aliens

For aliens sponsored pursuant to the "Affidavit of Support Under Section 213 of the Act," the sponsor's obligation terminates if the alien has worked or can be credited with 40 quarters of qualified work. This appendix, in conjunction with the State Verification Exchange System (SVES) User Guide, contains the process for determining the number of qualifying quarters with which an alien can be credited.

To determine the number of quarters available to an eligible alien unit member, the EW must obtain answers to the following questions:

1. How many years has the applicant, the applicant's spouse, or the applicant's parents (before the applicant turned 18) lived in this country?
2. How many years has the applicant, the applicant's spouse, or the applicant's parents (before the applicant turned 18) commuted to work in the U.S. from another country before coming to the U.S. to live, or worked abroad for a U.S. company or in self-employment while a legal resident of the U.S.?

(If the total number of years to both questions is less than 10 years, the agency does not need to ask question 3 because the 40-quarter standard cannot be met.)

3. In how many of the years reported in answer to question 1, did the applicant, the applicant's spouse, or the applicant's parent earn money through work?

(To determine whether the applicant's earnings were sufficient to establish "quarters of coverage" in those years, the agency should refer to the income chart included in this appendix.)

If the answer to question 3 is 10 years or more, the EW must verify, from **USCIS** documents or other documents, the date of entry into the country for the applicant, spouse and/or parent. If the dates are consistent with having 10 or more years of work, an inquiry through SVES must be made.

The applicant must complete the "Consent for Release of Information" (copy on page 4 of this [appendix](#)) by providing full name, social security number and date of birth of each individual (self, spouse, or parent) whose work history is relevant to the sponsor deeming determination. In addition, the applicant must provide a consent form signed by each such individual, except deceased persons, giving SSA permission to release information through SVES on that individual to the agency and/or the applicant. The form must be retained in the case file to document the individual's consent. A consent form is valid for 12 months from the time of the signature.

Information received through SVES will not report earnings for the current year nor possibly the last year's earnings. The alien must provide verification of earnings through pay stubs, W-2 forms, tax records, employer records, or other documents, if the quarters of this period is needed to determine if the sponsor's obligation must continue or is terminated.

If the alien believes the information from SSA is inaccurate or incomplete, beyond the current two-year lag period, the alien must be advised to provide the verification to SSA to correct the inaccurate income records.

In evaluating the verification received directly from the alien or through SVES, the EW must exclude any quarter, beginning January 1997, in which the person who earned the quarter received benefits from TANF, SSI, or Medicaid, or Food Stamp Programs or the food assistance block grant program in Puerto Rico.

In situations when consent to release information through SVES cannot be obtained from a parent or spouse, other than death, information about quarters of coverage must be requested directly from the Social Security Administration. The applicant or EW must complete the Request for Quarters of Coverage (QC) History Based on Relation form, SSA-513. The form must be completed to specify the period(s) for which the verification is requested. The completed form must be submitted to:

Social Security Administration  
P.O. Box 17750  
Baltimore, Maryland 21235-0001

When the SSA is unable to determine if a quarter should be allowed, the SVES inquiry will show "Z" or "#" codes. If an applicant cannot meet the 40-quarter minimum without using a questionable quarter, SSA will investigate the questionable quarter(s) and will either confirm or deny the quarter. Form SSA 512, "Request to Resolve Questionable Quarters of Coverage (QC)," must be used to resolve quarters before 1978. A copy of the SVES report must accompany the completed form. Form 512 must be submitted to the address above to the attention of the Office of Central Records Operations.

For questionable quarters for 1978 or later, the applicant must complete Form SSA-7008. "Request for Correction of Earnings." This form is available at local SSA offices. The completed form, annotated at the top with "Welfare Reform," and proof of earnings must be submitted to:

Social Security Administration  
Office of Central Records Operations  
P.O. Box 17752  
Baltimore, Maryland 21235-0001

### Establishing Quarters

The term "quarter" means the 3-calendar-month periods ending with March 31, June 30, September 30 and December 31 of any year.

Social Security credits (formerly called "quarters of coverage") are earned by working at a job or as a self-employed individual. A maximum of four credits can be earned each year.

For 1978 and later, credits are based solely on the total yearly amount of earnings. All types of earnings follow this rule. The amount of earnings needed to earn a credit increases and is different for each year. The amount of earnings needed for each credit and the amount needed for a year in order to receive four credits are listed below.

Year	Quarter Minimum	Annual Minimum	Year	Quarter Minimum	Annual Minimum
1978	\$250	\$1000	1990	\$520	\$2080
1979	\$260	\$1040	1991	\$540	\$2160
1980	\$290	\$1160	1992	\$570	\$2280
1981	\$310	\$1240	1993	\$590	\$2360
1982	\$340	\$1360	1994	\$620	\$2480
1983	\$370	\$1480	1995	\$630	\$2520
1984	\$390	\$1560	1996	\$640	\$2560
1985	\$410	\$1640	1997	\$670	\$2680
1986	\$440	\$1760	1998	\$700	\$2800
1987	\$460	\$1840	1999	\$740	\$2960
1988	\$470	\$1880	2000	\$780	\$3120
1989	\$500	\$2000	<b>2001</b>	<b>\$830</b>	<b>\$3320</b>

A current year quarter may be included in the 40-quarter computation. Use the current year amount as the divisor to determine the number of quarters available.

If you need to use quarters before 1978:

- A credit was earned for each calendar quarter in which an individual was paid \$50 or more in wages (including agricultural wages for 1951 - 1955);
- Four credits were earned for each taxable year in which an individual's net earnings from self-employment were \$400 or more; and/or
- A credit was earned for each \$100 (limited to a total of 4) of agricultural wages paid during the year for years 1955 through 1977.

## Social Security Administration

### Consent for Release of Information

TO: Social Security Administration

_____	_____	_____
Name	Date of Birth	Social Security Number

I authorize the Social Security Administration to release information or records about me to:

NAME	ADDRESS
_____	_____
_____	_____
_____	_____

I want this information released because:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(There may be a charge for releasing information.)

Please release the following information:

\_\_\_\_ Social Security Number  
\_\_\_\_ Identifying information (includes date and place of birth, parents' names)  
\_\_\_\_ Monthly Social Security benefit amount  
\_\_\_\_ Monthly Supplemental Security Income payment amount  
\_\_\_\_ Information about benefits/payments I received from \_\_\_\_\_ to \_\_\_\_\_  
\_\_\_\_ Information about my Medicare claim/coverage from \_\_\_\_\_ to \_\_\_\_\_  
    (specify) \_\_\_\_\_  
\_\_\_\_ Medical records  
\_\_\_\_ Record(s) from my file (specify) \_\_\_\_\_

Other (specify) \_\_\_\_\_

I am the individual to whom the information/record applies or that person's parent (if a minor) or legal guardian. I know that if I make any representation which I know is false to obtain information from Social Security records, I could be punished by a fine or imprisonment or both.

Signature: \_\_\_\_\_  
(Show signatures, names, and addresses of two people if signed by mark.)

Date: \_\_\_\_\_ Relationship: \_\_\_\_\_

SSA-3288

OMB No:0960-0575

Date of Request\_\_\_\_\_

**REQUEST TO RESOLVE QUESTIONABLE QUARTERS OF COVERAGE (QC)**

Complete the information below when the QC array contains either a (#) pound sign or code "Z" prior to 1978. Mail the form and a copy of the system's printout to the Social Security Administration, P.O. Box 17750, Baltimore, MD 21235-0001.

**Print****Name:**

Last

First

MI

SSN: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Date of Birth: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
MM DD YY**Request Years**

19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_,

19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_, 19\_\_\_\_,

OR

19\_\_\_\_ thru 19\_\_\_\_ 19\_\_\_\_ thru 19\_\_\_\_ 19\_\_\_\_ thru 19\_\_\_\_

**State's Name & Address**


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**Contact Person's Name**


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&amp;

**Telephone Number**


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The Paperwork Reduction Act of 1995 requires us to notify you that this information collection is in accordance with the clearance requirements of section 3507 of the Paperwork Reduction Act of 1995. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a valid OMB control number.

Date of Request \_\_\_\_\_

OMB NO.: 0960-0575

## Request for Quarters of Coverage (QC) History Based on Relationship

Complete the information below when requesting QC history for spouse(s) or parent(s) of a lawfully admitted non-citizen. Mail the form to the Social Security Administration, P.O. Box 17750, Baltimore, MD 21235-0001.

## Print

Name : \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
Last First M.I.

**SSN:**        -     -  
                MM   DD   YY

Relationship to Applicant: \_\_\_\_\_

NOTE: COMPLETE THE YEAR COLUMN AND CIRCLE THE PERTINENT QUARTER(S) FOR THE YEAR. SSA WILL PROVIDE INFORMATION ONLY FOR YEARS AND QUARTERS YOU INDICATE.

[illegible][illegible]

State's Name \_\_\_\_\_  
&  
Address \_\_\_\_\_

Contact Person's Name \_\_\_\_\_  
&  
Telephone Number \_\_\_\_\_